

U. S. DEPARTMENT OF INTERIOR

34 197100

GEOLOGICAL SURVEY, CONSERVATION DIVISION

OFFICE OF THE AREA OIL SHALE SUPERVISOR

In Re:

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HEARINGS ON THE DETAILED DE-VELOPMENT PLAN FOR TRACT C-a.

> Auditorium, 1823 Stout Street, U. S. Post Office, Denver, Colorado,

Thursday, June 10, 1976.

The above-entitled matter came on for public hearing at 1 p.m., pursuant to notice, James R. Richards, Director, Office of Hearings and Appeals, presiding.

PANEL:

GERRY SJAASTAD, Deputy Director of Colorado Department of Natural Resources.

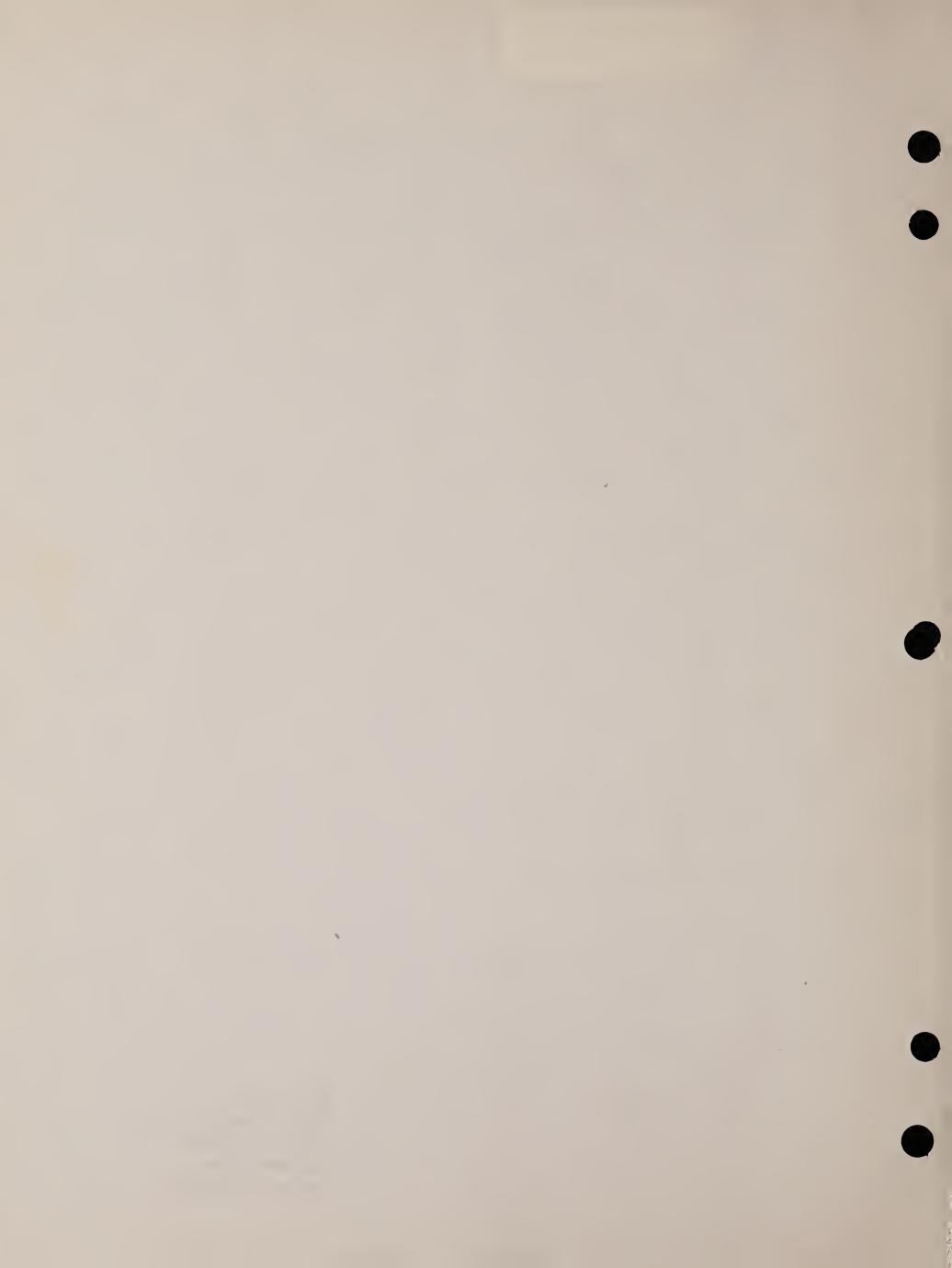
PETER RUTLEDGE, Area Oil Shale Supervisor, Grand Junction, Colorado.

ROBERT BOLMER, U. S. Department of Interior, Oil Shale Environmental Advisory Panel, Bureau of Mines.

CECIL ROBERTS, U. S. Bureau of Land Management, Energy Minerals Coordinator, Colorado State Office.

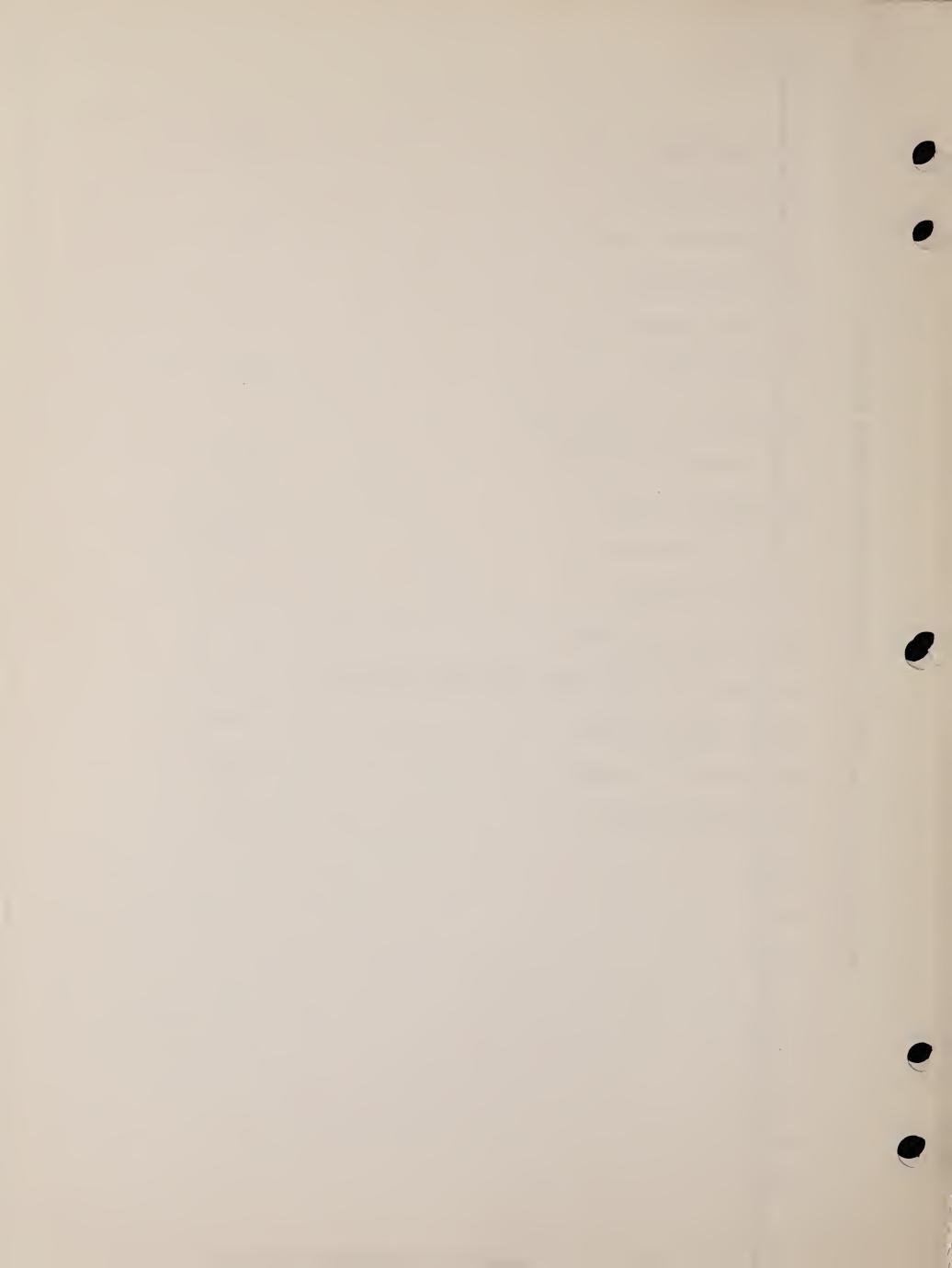
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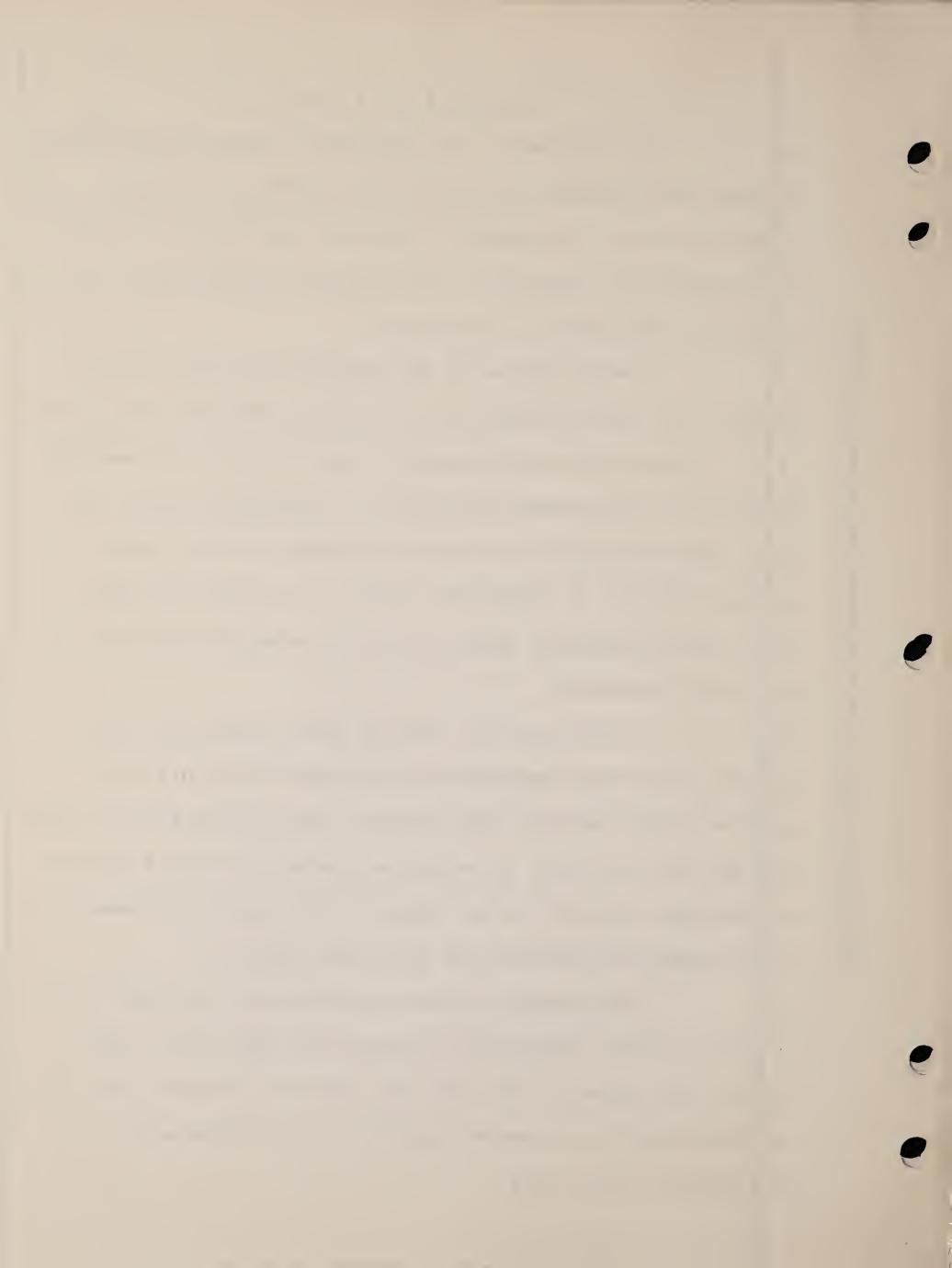
PROCEEDINGS

MR. RICHARDS: Good afternoon, ladies and gentlemen. These are the public hearings on the detailed development plan of Tract C-a. I am James R. Richards, the director of Office of Hearings and Appeals in the Office of the Secretary, the Interior Department in Washington.

Seated with me on the panel starting from my far left, Mr. Cecil Roberts who is the Energy Minerals Coordinator, U. S. Bureau of Land Management. Next to him on my immediate left is Mr. Bob Bolmer with the U. S. Bureau of Mines. On my immediate right is Mr. Peter Rutledge, Area Oil Shale Supervisor, U. S. Geological Survey. And on my far right, Mr. Gerald Sjaastad, Deputy Director, Colorado Department of Natural Resources.

As you may know, Section 10(a) of the Oil Shale lease under which operations are carried out on Oil Shale lease tracts requires that lessees submit to the Area Oil Shale Supervisor of the U. S. Geological Survey a detailed development plan, hereafter to be called the DDP, prior to commencing developmental operations on the lease tracts.

The lessees of Tract C-a submitted their DDP to the Area Oil Shale Supervisor on March 30 of this year. More than 200 copies of this plan and supporting material have been distributed to interested agencies and individuals and libraries of the area.



of the plan and schedule of public hearings was published in the Federal Register. Similar notices have been published in area newspapers several times between April 18th and May 5 30th.

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Public hearings on the environmental provisions of the DDP are required by the lease and are conducted in accordance with provions of the Code of Federal Regulations which apply to the Department of Interior.

On April 13th of this year, a notice of availability

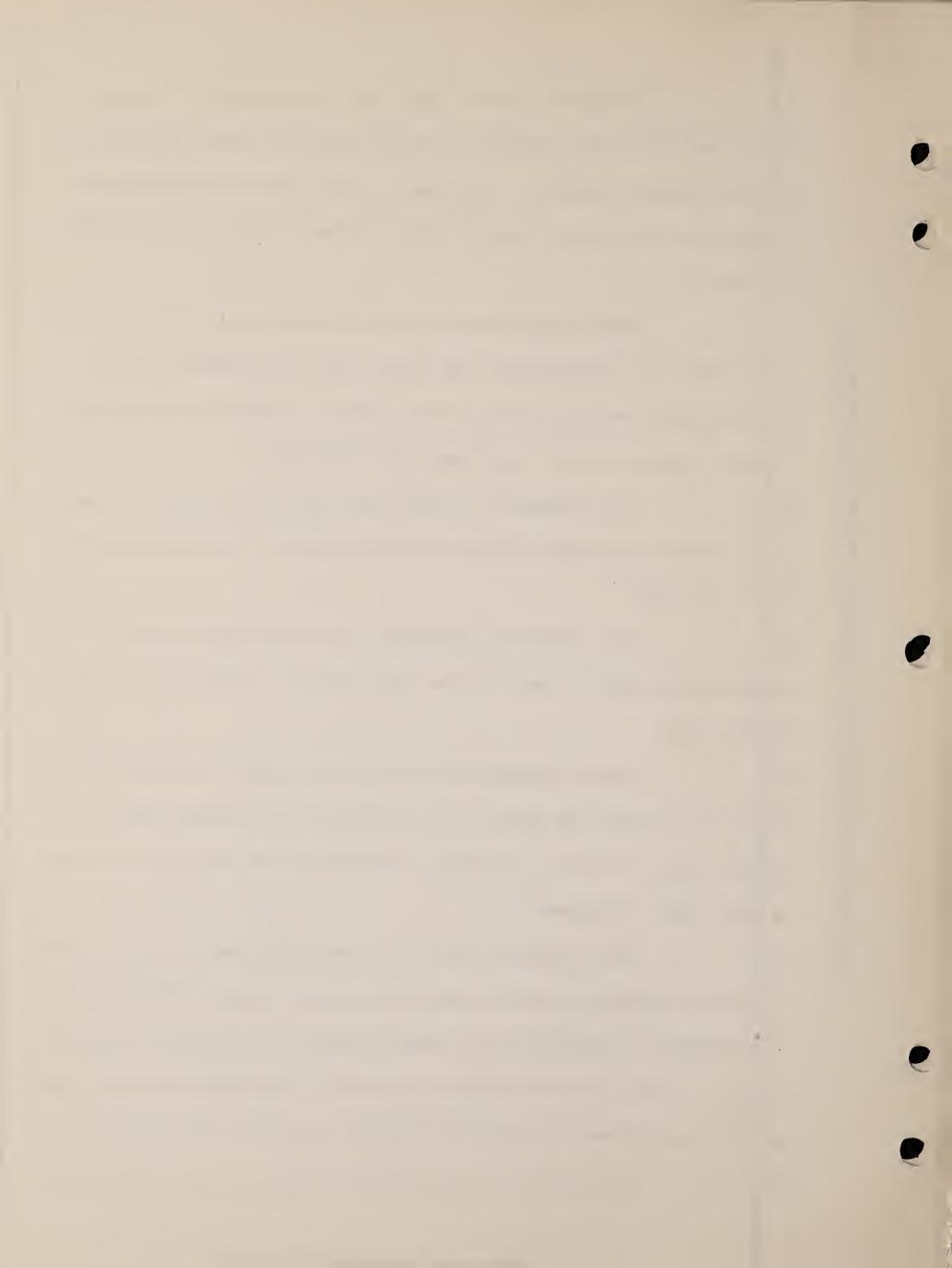
The purpose of these hearings is to obtain comments to assist the Area Oil Shale Supervisor in his consideration of the DDP.

The verbatim transcript and any supplemental material will be used by the Supervisor in arriving at his decision.

These hearings have been scheduled to commence at 1 o'clock today and again at 7 o'clock this evening here in this room if there are other witnesses that we don't finish with this afternoon.

The hearing record will be kept open for any further written comments until June 25th of this year. All written comments, in addition to comments made here today, should be sent to the Area Oil Shale Supervisor, who happens to be here and his address is 131 North Sixth Street in Grand Junction.

As stated in the hearing notice, we ask that indi-



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viduals testifying limit their presentation to ten minutes.
We are not going to be terribly strict about that.

I will first call those persons who have previously requested to testify and then I'll offer an opportunity for anyone else present to testify insofar as time permits.

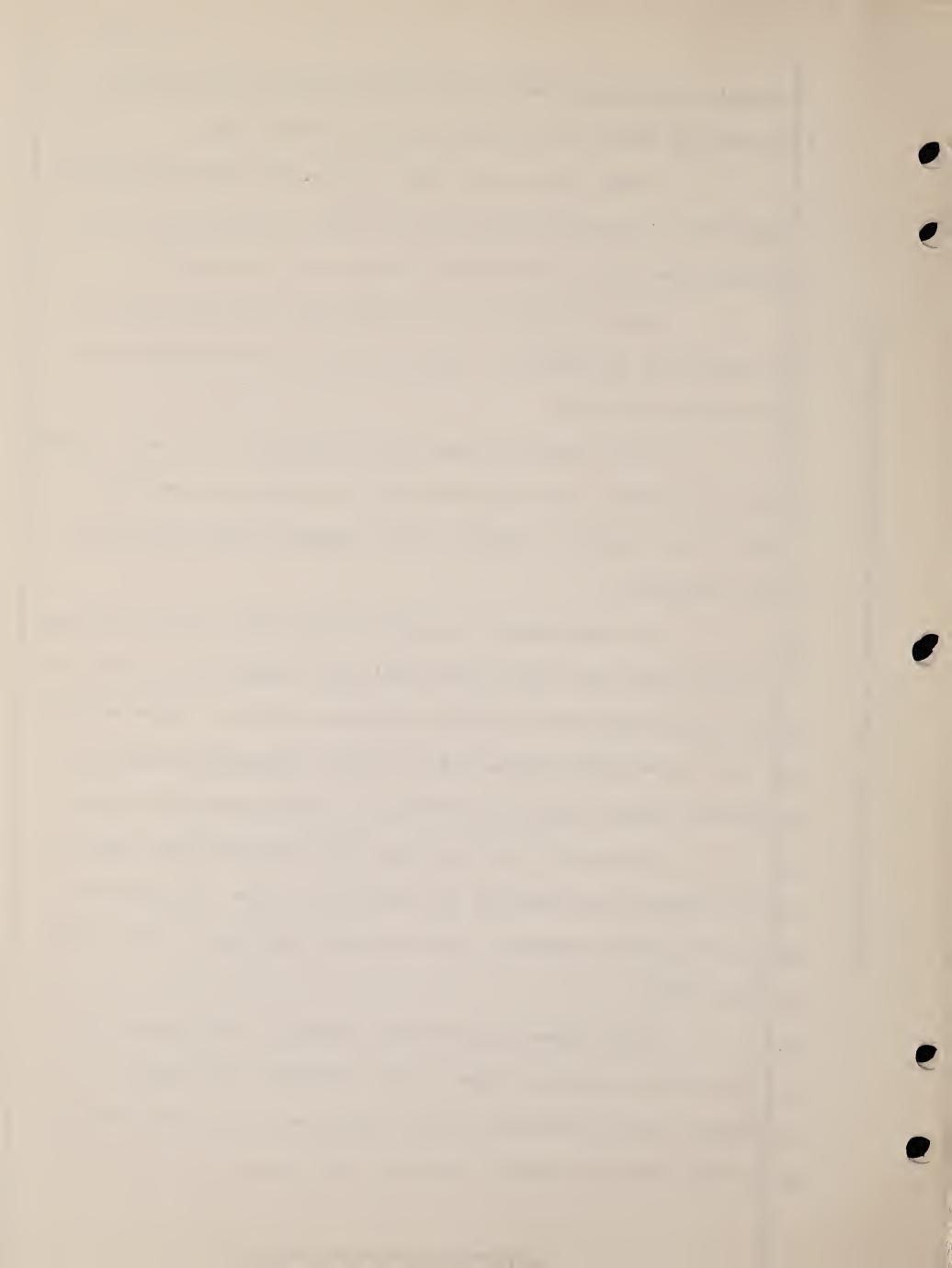
These hearings are informational and they are not an adversary proceeding. There will be no cross-examination of those testifying.

As is usual in these type hearings, I do have a panel and, of course, their purpose will be to ask any questions that will clarify in nature or any comments they may have on the testimony.

In conclusion, a verbatim transcript of the hearings is being made and will be available for inspection at the Area Oil Shale Supervisor's office in Grand Junction, whose address I have previously given, and in the Oil Shale Environmental Advisory Panel office in Building 57, Denver Federal Center.

Copies of the transcript for those who may wish to have them may be obtained by making individual arrangements with the court reporter, who is seated down here to our immediate left.

With those introductory remarks, I will call the first witness that we have on our schedule, Mr. Walter Herget, who is president of the Rio Blanco Oil Shale Project. He will identify himself further. Mr. Herget.



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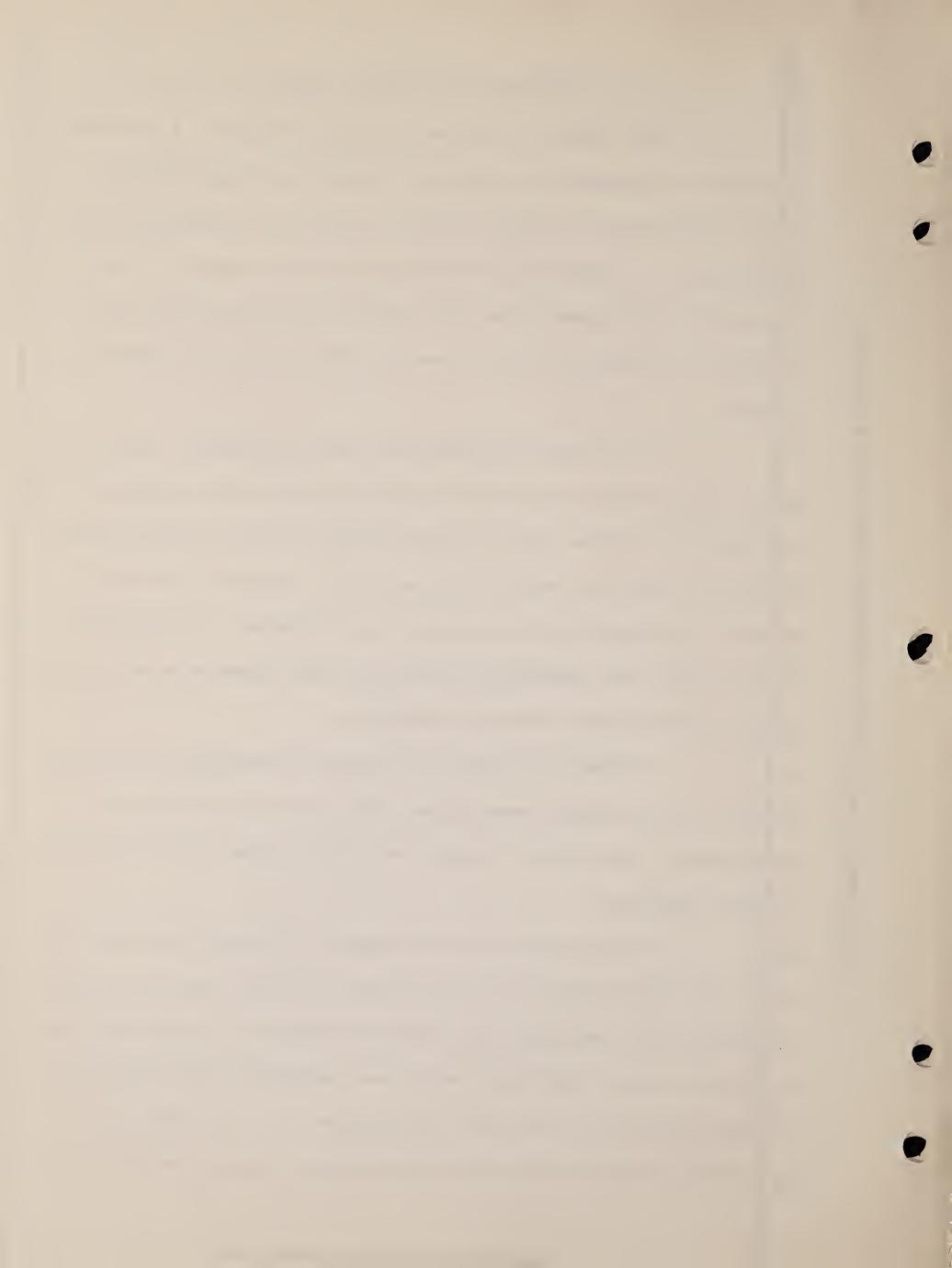
TESTIMONY OF WALTER HERGET

MR. HERGET: My name is Walter Herget. I am an employee of Standard Oil Company, Indiana, and president of the Rio Blanco Oil Shale Project of Gulf Oil Corporation and I appreciate this opportunity to comment on the Detailed Development Plan for Federal Prototype Tract C-a which we submitted to the Area Oil Shale Supervisor March 30, 1976. 8

The Final Environmental Impact Statement issued by the Department of the Interior just prior to the leasing of the federal oil shale tracts defined Tract C-a as a likely candidate for open pit mining, above-grount retorting, and offtract overburden and processed shale disposal. Our studies have shown that approach to have the most promise when evaluating economics and resource recovery.

Although a number of economic constraints currently exist, the Detailed Development Plan is not an economic document. Therefore, I will now dwell on that part of the oil 19 shale equation.

Our plan for the development of Tract C-a calls for an open pit mining use of the TOSCO II retort, and off-tract disposal of overburden and processed shale in an area adjacent to the tract. Possible use of gas combustion type retorts is lso reviewed in the plan. We believe our environmental studies, coupled with our engineering and design work over the



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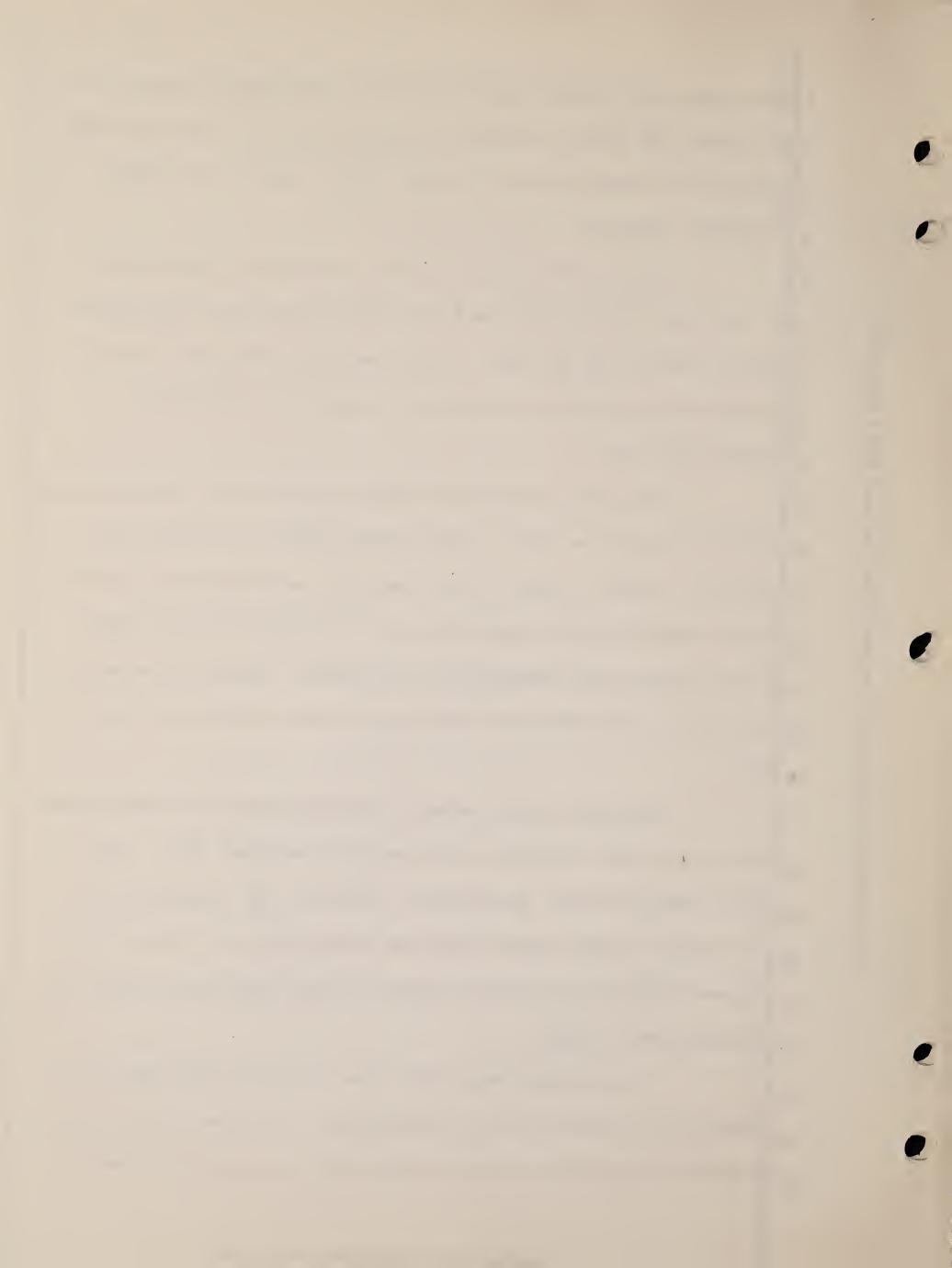
past year and a half, support Interior Department approval of our plan. We feel it meets the requirements of the lease and responds to the spirit and intent of the Federal Oil Shale Prototype Program.

The DDP for C-a is a plan for modular development of the tract which will lead to 55,000 barrel per day production of shale oil by 1985. This scale of production is believed to be generally within the range of a reasonable commercial test.

The plan we propose starts construction of an initial COSCO II retort in 1977. Three years later, we would add another. After a total of six years we would scale-up to the 5,000 barrel per day operation by the construction of additional retorts and expansion of the mine. Using the schedule putlined in the plan, we would reach this production level in 1985.

Like the other Federal Prototype Detailed Development Plans, our DDP contains environmental baseline data. The plan covers mining, processing, disposal and rehabilitation functions to the degree that the lease requires and to the degree that we are able to project these operations from the information we have.

We consider the DDP to be a living plan which will change as we develop more information. Because of the massive amount of material covered in the plan, we may have some in-



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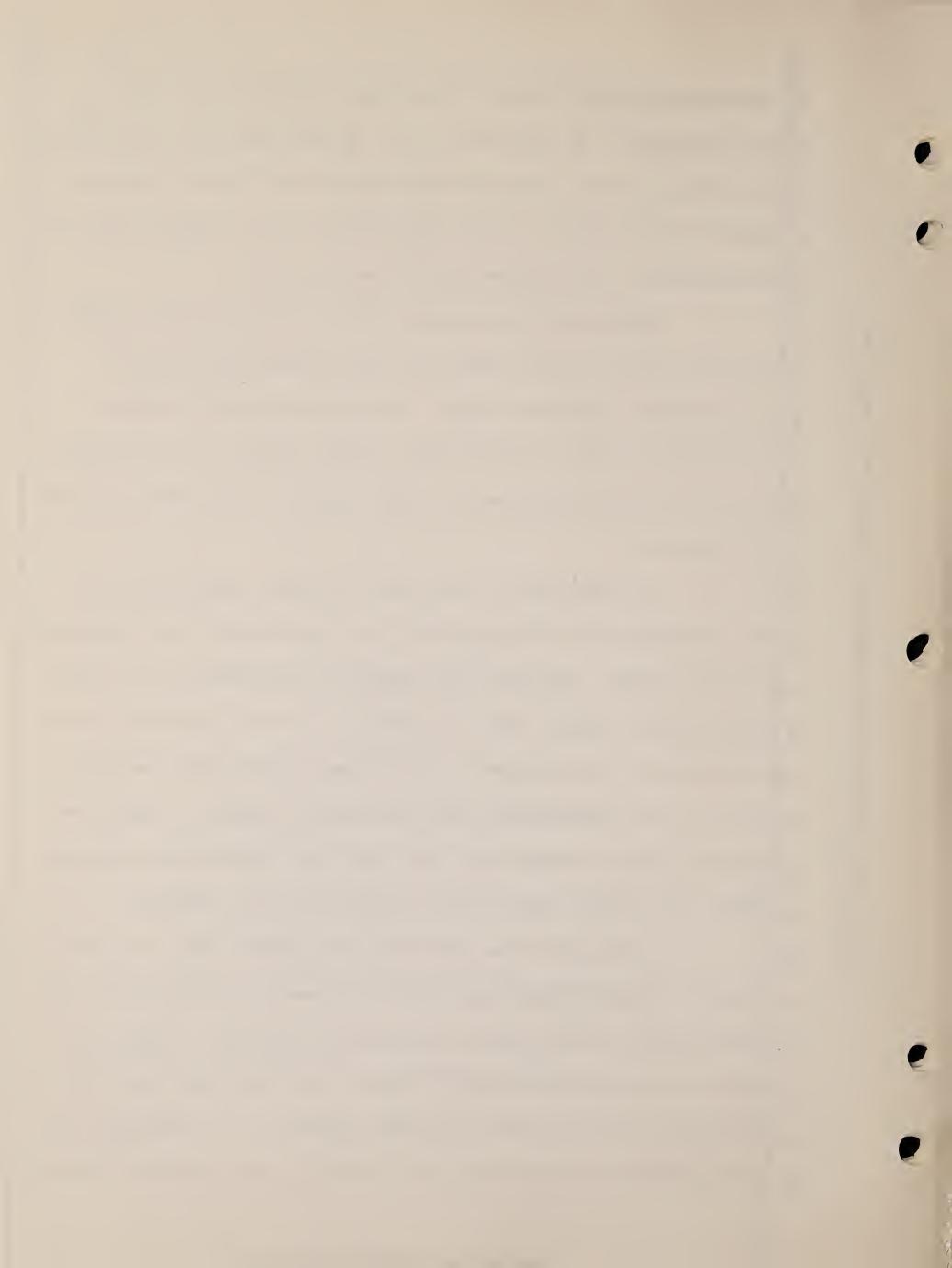
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consistencies and errors. That does not mean it is not a good document. We believe it is. We hope that the evaluation and review of the Detailed Development Plan and the comments from various sectors of the government and the public will be constructive. We welcome such an evaluation.

During the preparation of the plan, we have worked with the office of the Area Oil Shale Supervisor and the Environmental Advisory Panel. We have attempted to answer everyquestion put to us by both, either orally or in writing. We have not always agreed; in some cases, we have had to agree to disagree.

In addition to the Area Oil Shale Supervisor and the Environmental Advisory Panel, we have worked with numerous federal, state, regional and community governmental and regulatory bodies which have jurisdiction over some portion of our activities. The people of these organizations have worked with us in a cooperative and businesslike manner. Again, we haven't always agreed that they have been productive relationships. We expect these good relationships to continue.

Along with the Detailed Development Plan, we submitted a Social Impact and Growth Statement. This is not required by the lease and is not part of the DDP. It was an effort that both the Area Oil Shale Supervisor and the Rio Blanco Oil Shale Project believed necessary. In addition, we have provided a master plan for growth to the people of Rangely,



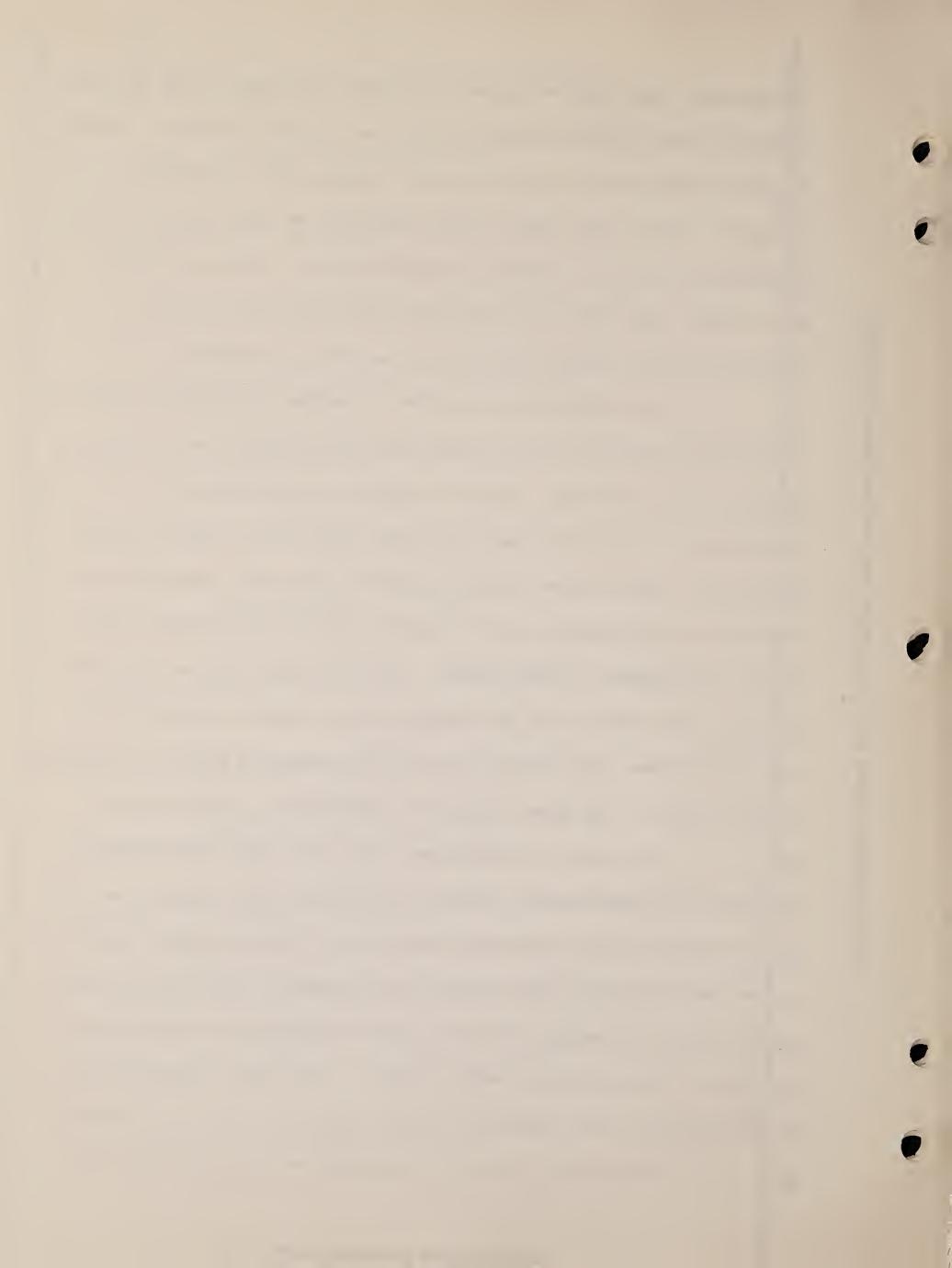
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Colorado, the town we expect to impact the most. The Rangely 2 master plan was developed not for us, but for Rangely. under study now by the people of Rangely and Rio Blanco County. That plan also is not required by the lease, but we believe it will be helpful in planning for orderly growth. We tried very hard to avoid being paternalistic in our socioeconomic effort and believe we have succeeded.

In addition to the DDP, a number of permits will be 9 required outside of the lease provisions before we can pro-In some cases, there is pending legislation in 10 ceed. 11 Congress to clarify some questions which have come up since 12 leasing, such as the authority of the Interior Department to 13 authorize off-tract use of federal land in connection with 14 the development of the lease. All of these various requirements will have to be met before we can begin construction. 16 Nevertheless, they do not have to be resolved prior to approval 17 of the DDP. The plan should be approved on its own merit.

It must be remembered that oil shale development 19 cannot be meaningfully tested until mines and plants are con-20 structed and are producing shale oil. The prototype program vas perceived to allow orderly development, and that is cer-22 rainly our intention with the modular approach we have pro-Still we must make a start. Our plan schedule does ot project true commercial scale production for nine years.

Shale oil, with its enormous western reserves of



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literally billions of barrels, can well be one of the very best energy investments this country has ever made. Other energy sources will have their time in history when the technology permits. But all forms of energy require long lead time for development before significant amounts of production are achieved. Shale oil can and should be an important contributor to this nation's domestic energy supply within the next 20 years. We have to get started now in order to develop the industry in a prudent manner which respects the environment. We still have time to do it right if we avoid irrational delays.

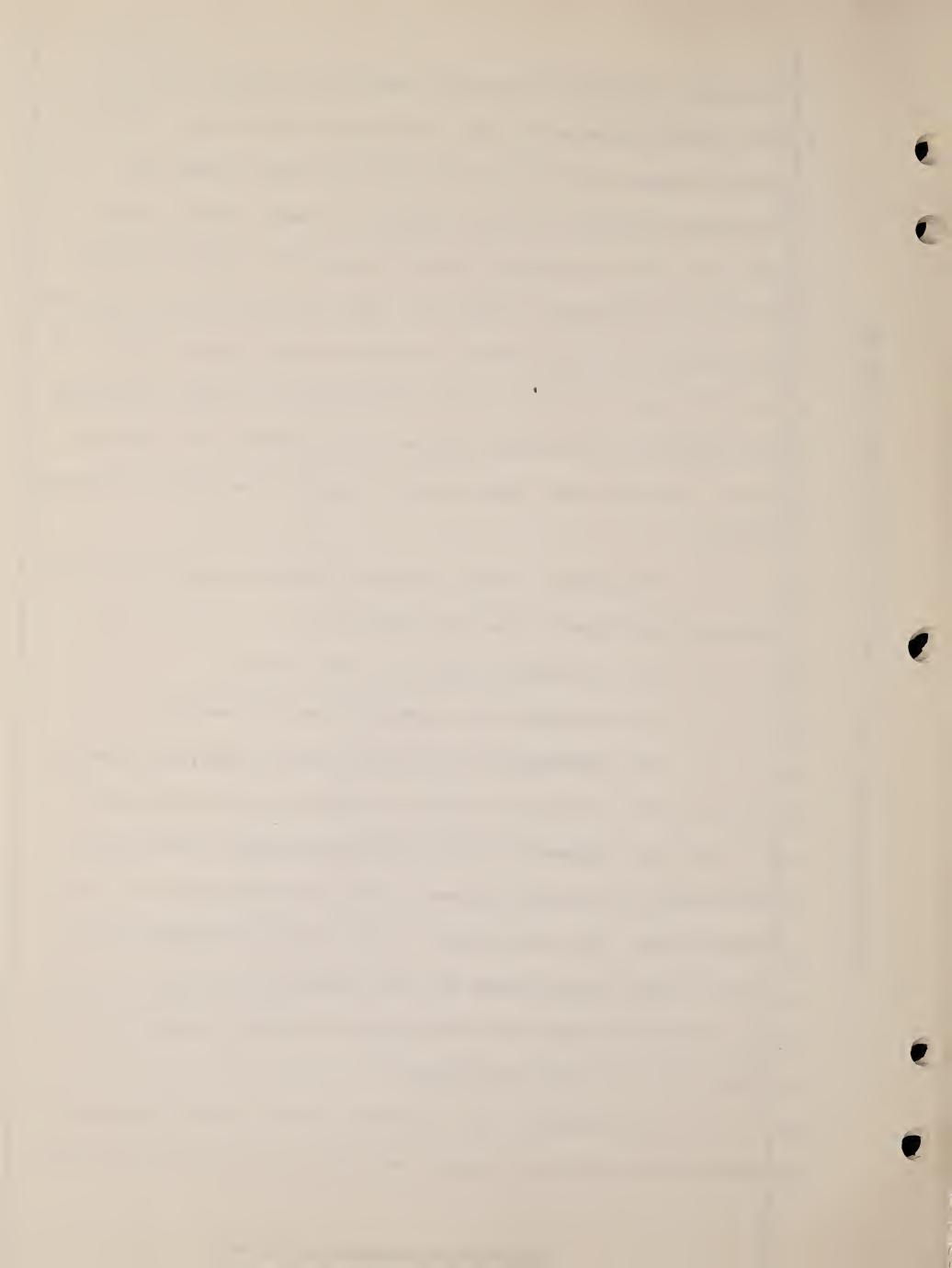
Therefore, I urge earliest possible approval of the Detailed Development Plan for Tract C-a.

Mr. Richards: Thank you, Mr. Herget.

Any questions or comments from the panel?

MR. SJAASTAD: Mr. Herget, one of the requirements that you have indicated necessary before you can proceed is the off-site disposal and the rationale given in the DDP on selection of off-site disposal refers to economics only in a general way. Has there been a study made to determine what would be the future price or cross penalty that would be paid for double handling the material and if such a study has been made, can it be made available?

MR. HERGET: Mr. Sjaastad, we are in the process of making that study now to get the order of magnitude of it, but



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I believe that the answer will turn out to be in the order of an extra billion to a billion five dollars to move that twice.

MR. SJAASTAD: Thank you.

MR. RICHARDS: Any other questions or comments?
(No response.)

MR. RICHARDS: Thank you very much, Mr. Herget.

We had Mr. Clark Watson second on the list. Well, here he is. We thought he had a time problem, but I see he has just arrived.

Mr. Watson, it is nice to see you.

MR. WATSON: Thank you.

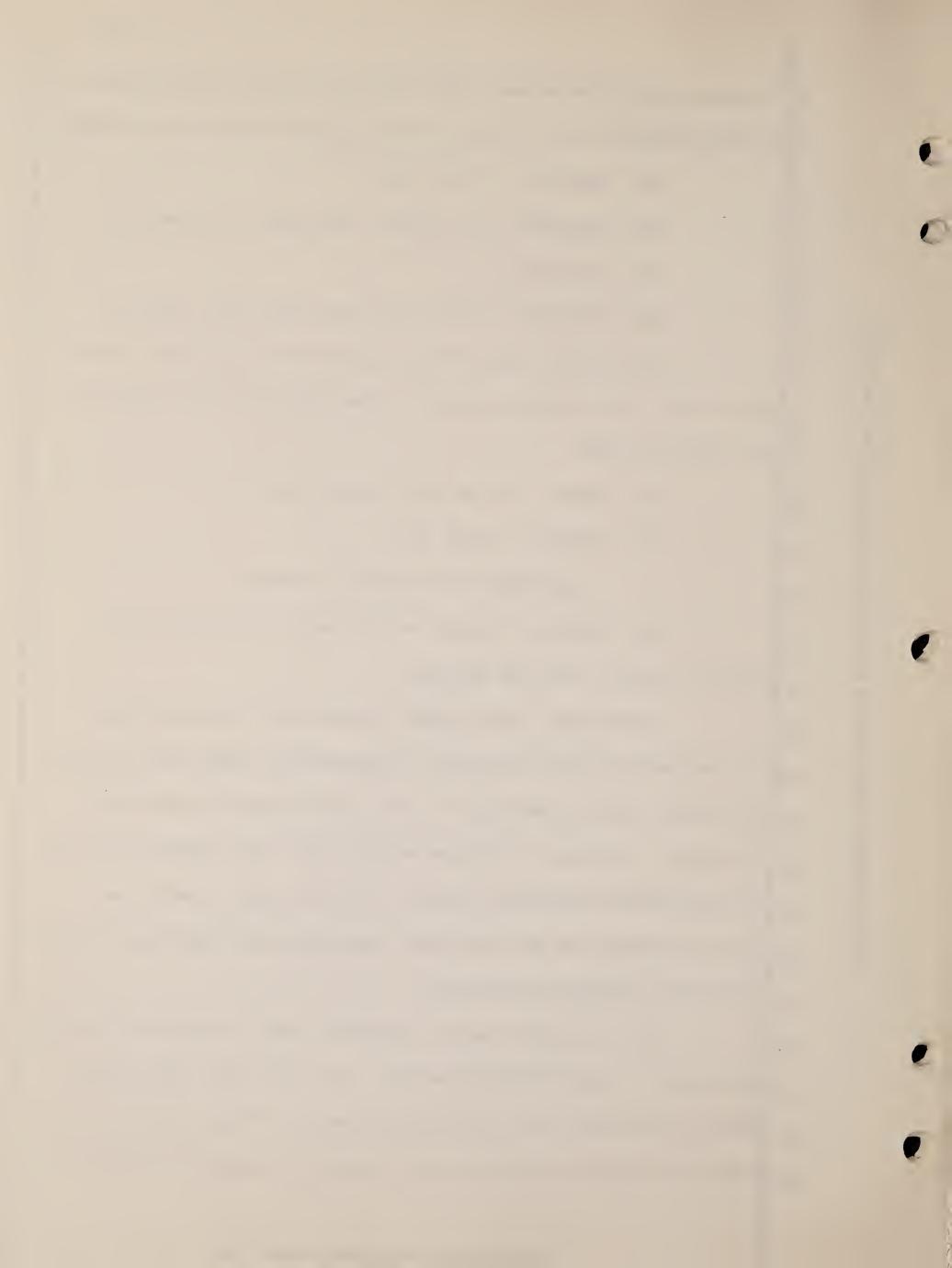
STATEMENT OF CLARKE R. WATSON

MR. WATSON: Excuse me for being slightly late.

There is quite a lot of tie up.

Gentlemen, once again I thank you for providing this opportunity for citizens to comment on detailed development plans for the mining of oil shale in the Green River formation. My name is Clarke Watson and I am chairman of the Colorado Black Political Caucus. In business I serve as general manager of the Westland Companies and president of its subsidiary, Watson Associates.

It is in the latter capacity that I began to develop expertise in the field of energy. For the past three years latson Associates has concentrated nearly 95 per cent of its business activity learning about energy problems, energy re-



sources, energy and environmental questions and has attempted to translate this knowledge in a manner that can serve people from all walks of life.

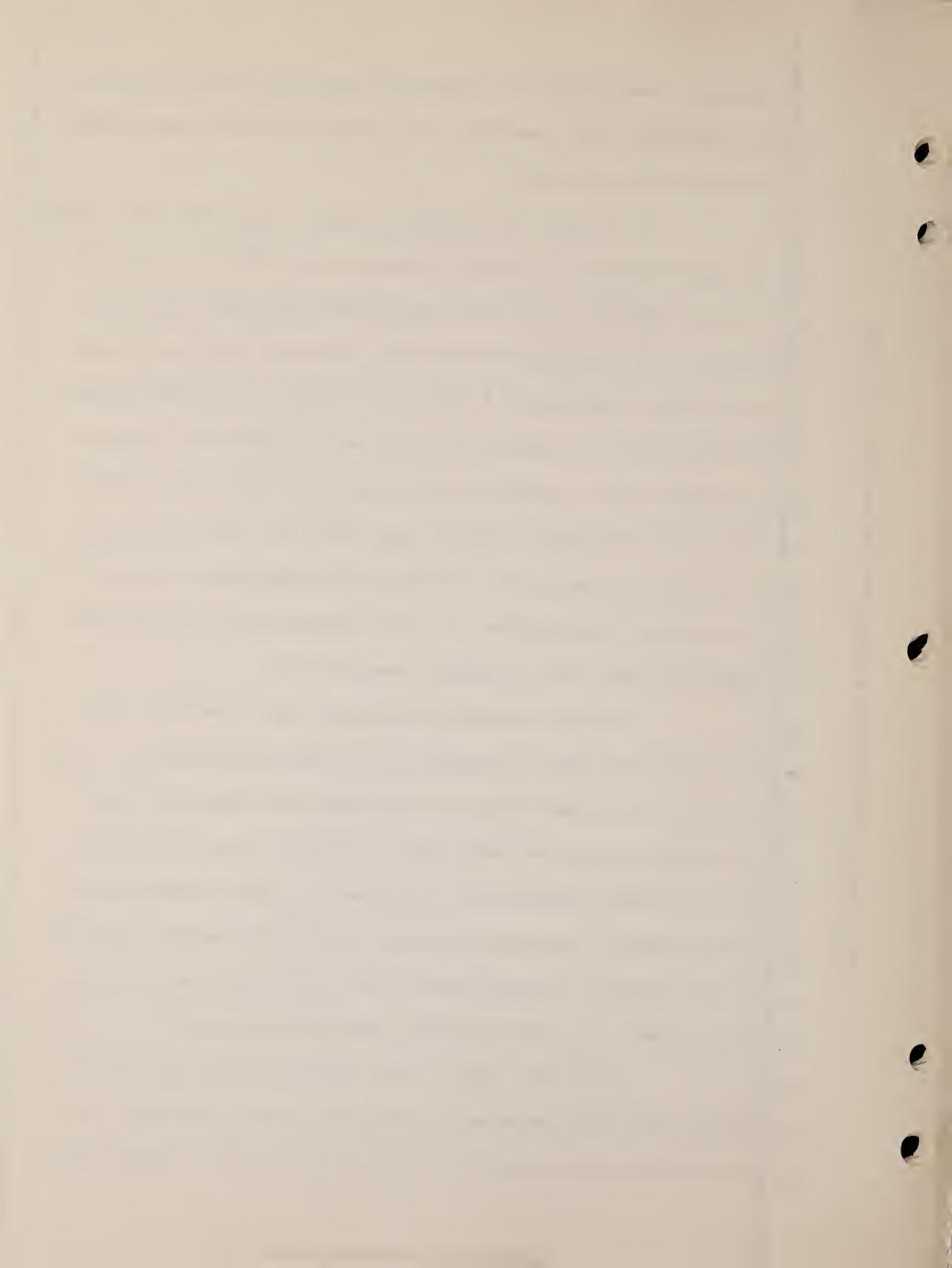
On one or two occasions our clients have been staunch environmentalists. Usually, however, our clients have been energy companies. But our relationship has been one where industry has provided information and asked for our conclusions and independent of industry we seek input from academia and the public in general so that as a responsible company providing what we believe to be the best information available our conclusions reflect data that can serve the greatest amount of people in economically viable ways without destroying our eco-systems, but more importantly keeping the needs of human kind in proper perspective.

ever, and not share it whenever and whomever possible. Thus, for the first time since its creation, the Colorado Black Political Caucus has been able to focus on more than just the so-called "traditional" problems of social upheaval and civil rights. My responsibility has been to educate members of the Caucus on energy matters and to solicit sentiments thus formed as a result of the knowledge provided.

On Friday, June 6, the Colorado Black Political

Caucus met and unanimously endorsed a policy of sound and

continued development of our mineral resources without delay.



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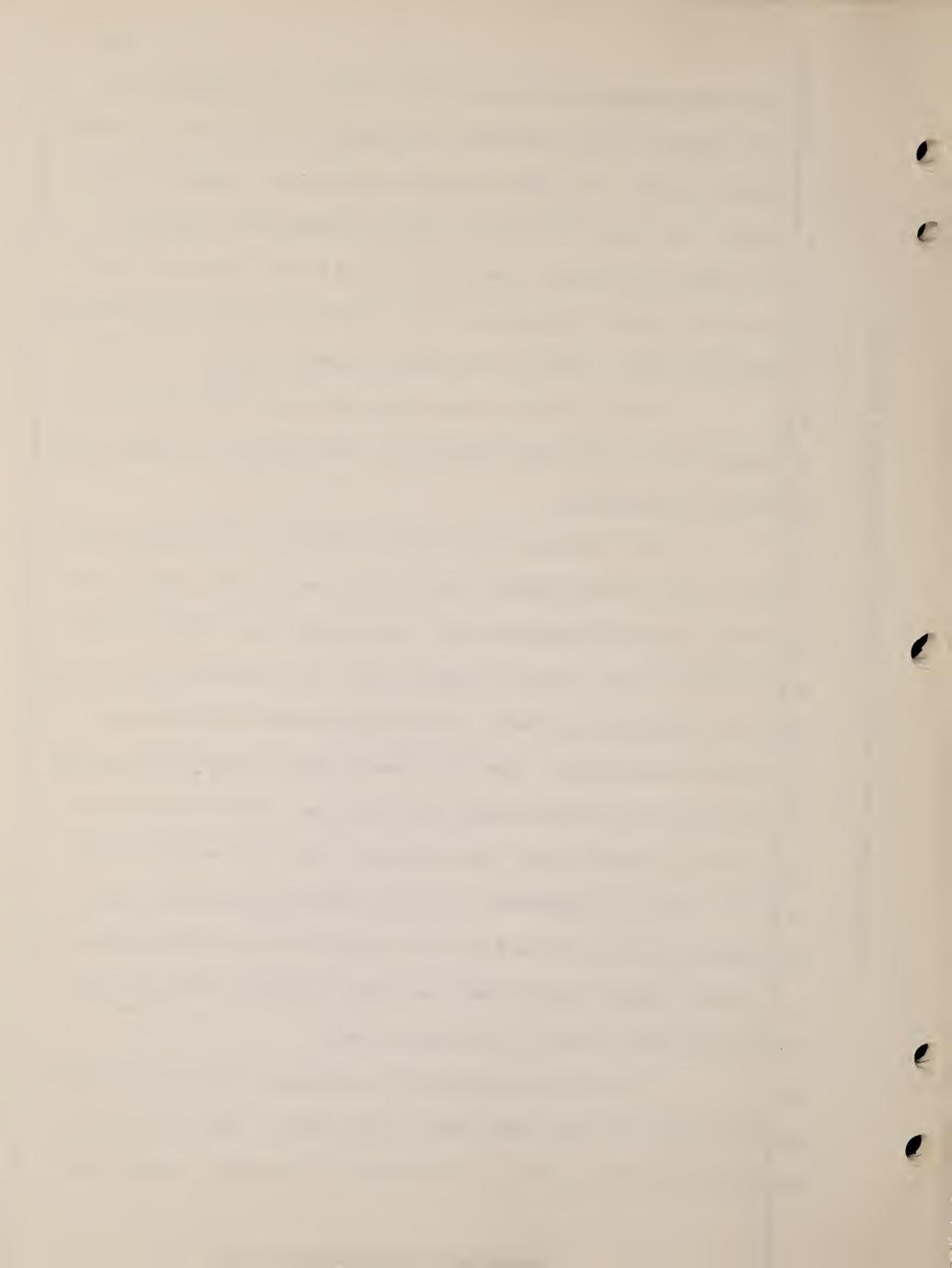
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One such program that falls well within the parameters of this policy is the proposed development of Tract C-a in Rio Blanco County. We feel it meets the test of soundness, advances the cause of greater energy independence, speaks to our pressing economic needs and in this rare instance could possibly leave a geographic area in better shape post-developmentally than it was in its predevelopment stage.

I will take up three separate considerations that support this hypothesis, economics, that being environment and energy independence.

Let us begin first with economics. The price of oil in the United States, as I'm sure we are all aware, although currently artificially controlled, has a direct relationship to the overall economic mix. As overall prices rise, so do petroleum products, accordingly drops in prices are likewise reflected. The key element here is the relationship to the price of other goods and services. But if this vital resource, fossil fuel, upon which we are, for better or for worse, heavily dependent, if this resource became in short supply domestically and we were forced to pay unreasonable, unrelated prices abroad then the whole economic fabric of the United States could be seriously rent.

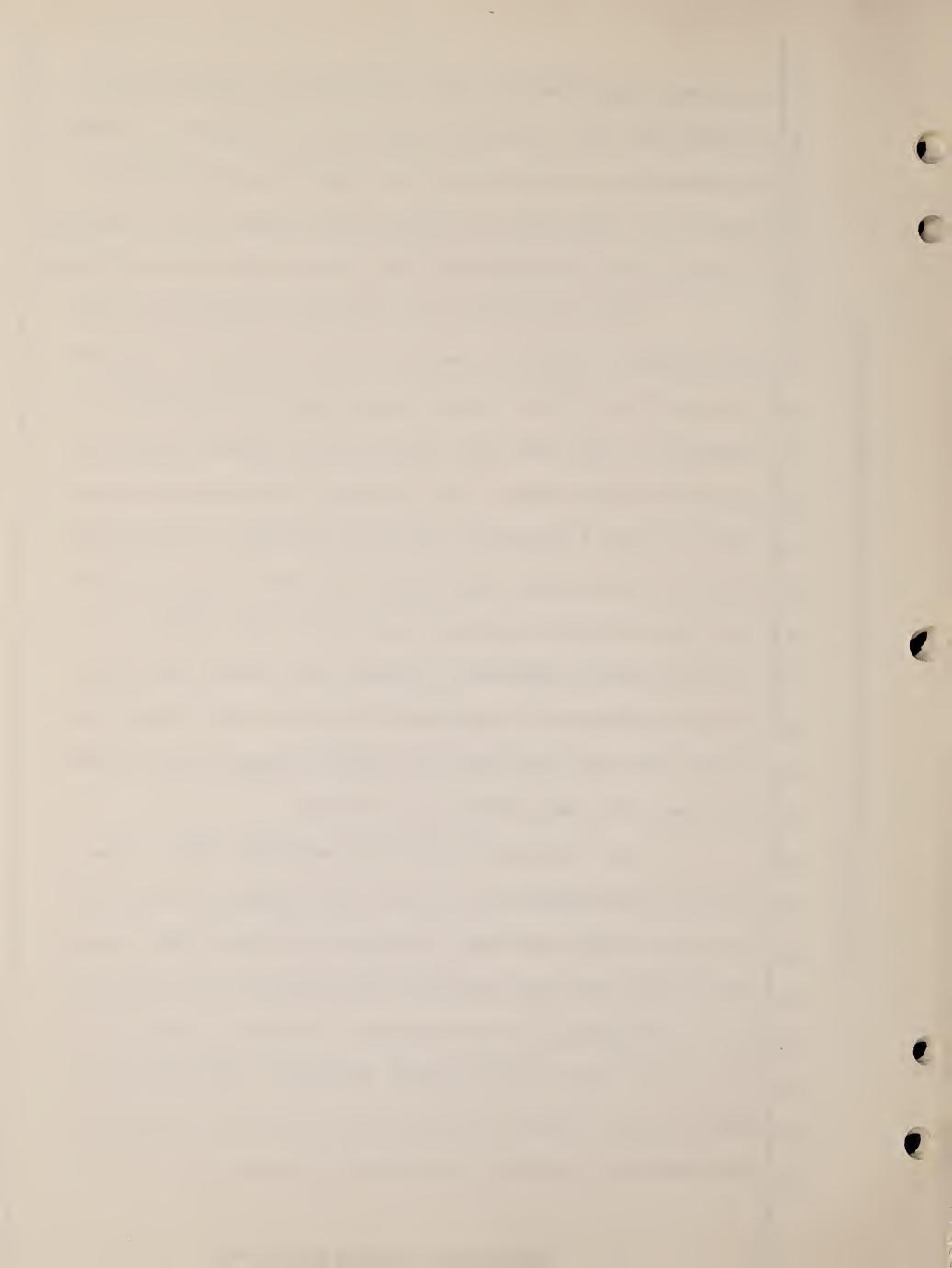
So we must turn to our indigenous sources of supply, and we must develop them where they exist. This is what Rio Blanco proposes to do. It proposes to develop a commercial



as much as 5,000,000,000 barrels of oil during the lifetime of extracting and processing the shale formations beneath Tract C-a. This sort of consideration speaks to the desired stability and predictability upon which sound economy depend.

Now let us take a more personal approach to what development of Tract C-a means to the citizens of Colorado. At Page 2-1-10 of the Project Background and Executive Summary, we did find that Rio Blanco Oil Shale Project employment during Phase I will be about 700 for construction, 300 for Stage I operations and 500 for Stage II operations. Phase II construction employment will peak at about 2,200 while the Phase II operating force will total about 1,100 permanent employees. Overall, Rio Blanco Oil Shale Project employment is expected to peak at 2,700 during the period from mid 1985 when both Phase I-Stage 2 operations and Phase II construction are underway.

One thousand one hundred permanent jobs on the Western Slope means we can abate the tendency of youth out migration, which has been a historic problem on the western communities, and also provide jobs for many now locked jobless and hopeless in urban centers. Indeed, at Page 4-9 of the Social and Economic Impact Statement, Rio Blanco Oil Shale Project desires to hire from Colorado the unemployed, underemployed and those unemployable because of

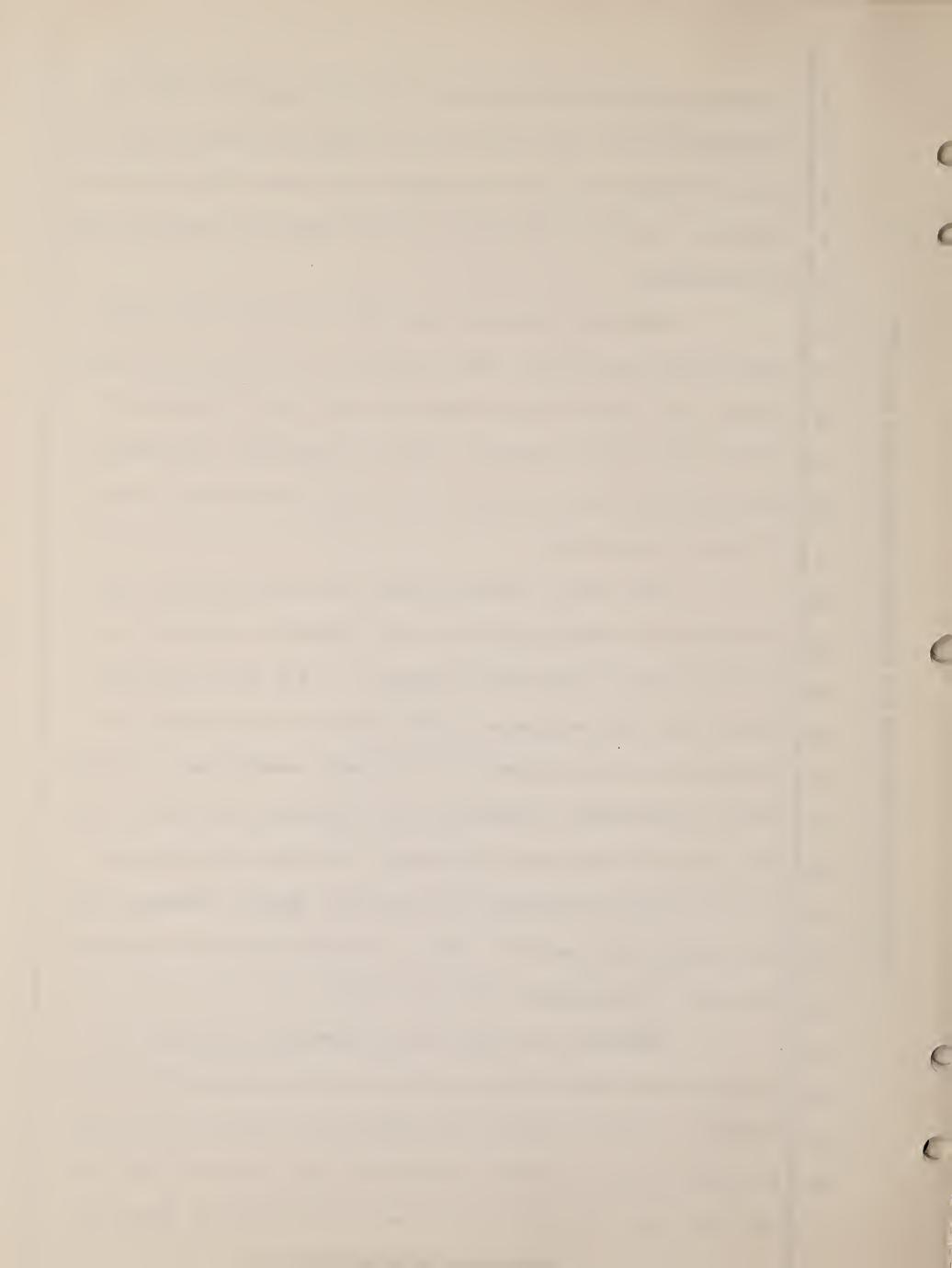


a lack of skills and education. In this instance, the development of oil shale can act as a positive social impact to all of Colorado by removing people from costly social welfare programs, thereby, resulting in a net human and economic gain for Colorado.

With this spread, with this reaching into front range urban centers for labor resource, Rio Blanco Oil Shale Project very specifically addresses the state's expressed goal of dispersed economics. What a tremendous opportunity this provides for the state to put into action what it has so long articulated.

Now, then, looking toward the environmental consideration of developing Tract C-a, probably the most important issue is off-tract disposal. I say most important issue since the hardiness of the Flora and Fauna that are indigenous to the region is fairly well established. Revegetation, protection of species and a general upgrading of the eco-system is intrinsic throughout the entire process beginning with the regional Environmental Impact Statement and concluding with the DDP. What remains at issue is off-tract disposal of overburden and spent shale.

Several sites have been suggested including the Douglas Creek area in the shadows of the Cathedral Bluffs and 84-Mesa. I took a field trip earlier this week to the tract in order to gain a visual perspective and a better sense of feel for what the options were and my conclusions based on



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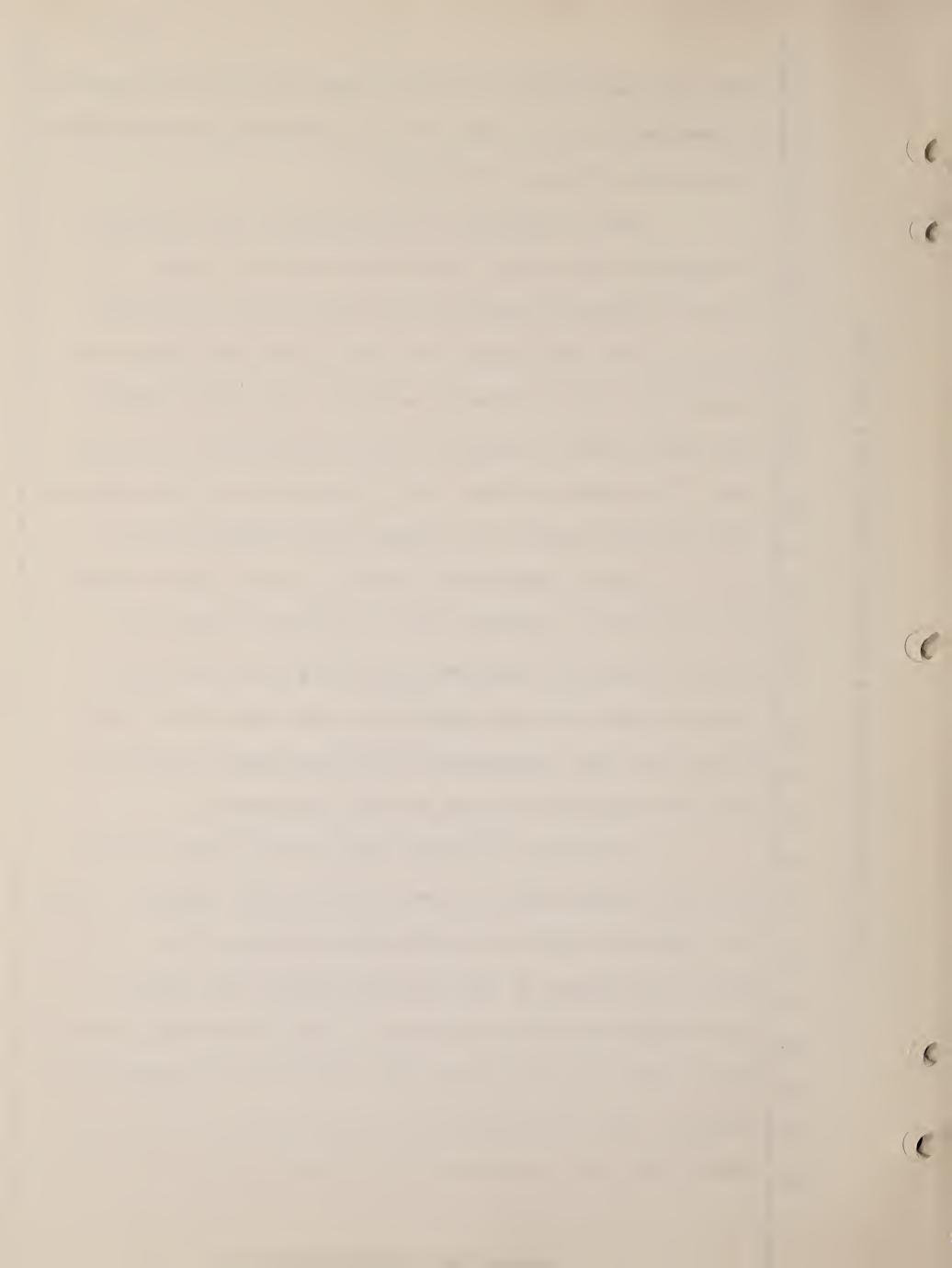
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that visit were that the Douglas Creek area is very pleasing, at least more pleasing than much of the terrain and characteristic of the Piceance Creek basin.

Once on 84-Mesa, I was struck by its arridness, its tangled vegetation, its parched and dusty state. was as if Dante had misplaced his inscription, "All hope abandon ye who enter here, for this place was indeed most logical for such a forboding message. But then I thought this place could be nature's invitation for man to reverse some of his past mistakes. It is known that we have reduced once pastoral settings to ravaged, dust-choked terrain. Now, it seems an opportunity exists to repay some of these past misdeeds by replacing this neglected acreage with grasses instead of sagebrush, replacing that which has doubtful value from any perspective with that which could enhance the area, encourage more and perhaps new species of Fauna and contribute to man and his environment.

Of course, on a more sober note, we have to consider the inextricable economics of off-site disposal. Financial estimates reflect considerable costs per mile. It is eight to ten miles to the Cathedral Bluffs area versus approximately one mile to 84-Mesa. When considering Douglas Creek, each of us has to ask, "Do any of us, as responsible citizens, want to add this cost to the public, to the consumer, when such an economically reasonable alternative ex-



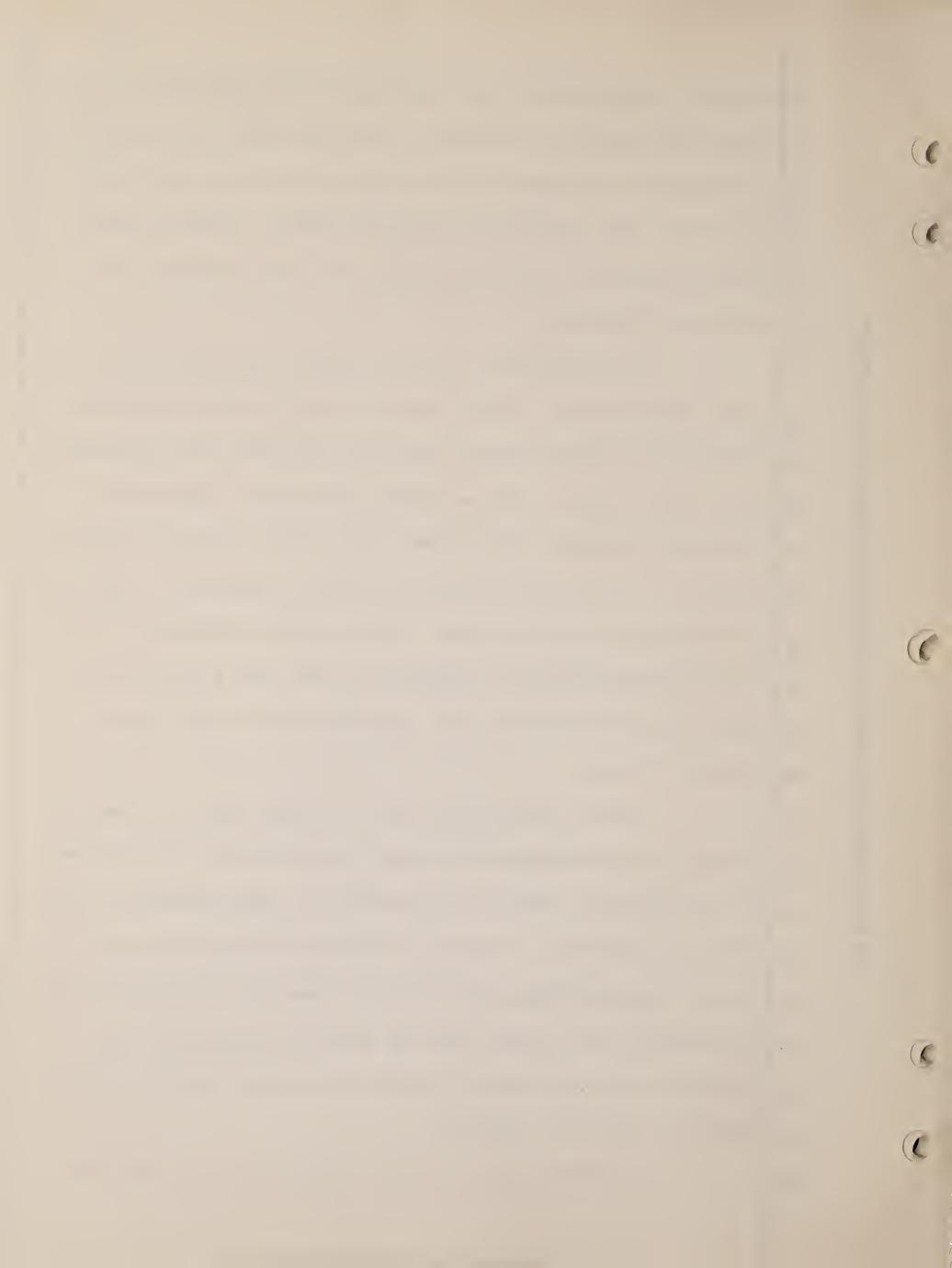
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ists?" I would think not. So beyond the opportunity to upgrade the quality of 84-Mesa is the additional attraction of maintaining reasonable costs to the public which will ultimately buy the roducts of synthetic fuels. 84-Mesa seems, when considering the alternatives, the best solution for off-tract disposal.

In conclusion, a brief comment once again about energy independence. Recent years have seen environmental protection and deliberations regarding the same take precedence over human factors such as supply and demand, employment, existing technology and global affairs and I think a perfect example of this type of prioritizing is evidenced in the requirements of the C-a lease. While minute attention to the environmental milieu is a matter of law, vis a vis 30 CFR Part 231 and 43 CFR Part 23, consideration of the human factors is not.

How we arrived at such a strange epoch in American history where management of human needs becomes overshadowed by environmental factors is beyond the comprehension of my limited experience. However, I hasten to add, we mustn't ignore the environment but if we as American citizens weaken ourselves to the extent that we cannot even protect and maintain that environment we love so dearly, somehow logic seems to elude the process.

I believe that we must finally bear in mind that



panel?

our introduction to terra firma is still in its infant stage.

Accordingly, we continue to behave somewhat childishly towards each other. More often than not, like a child peeved
at his playmate we strike out with our fists when we are dissatisfied with a neighbor's act. Hence, the Middle East,

conflict in Africa and Ireland, rumblings in the Panama

Canal Zone, continued friction along the Manchurian border,
in short, far too much instability for this nation to entertain achieving world peace overnight.

So, we feel until we mature to a better, more desirable state, we must face up to the world in current terms, with current resources and hope that the age of solar and other more sophisticated forms of energy is also an age of peace. When we progress, it must be on all fronts. We feel shale and shale development along the tract of C-a is one of the resources of the near future and as a resource it can move us toward even better energy alternatives and hopefully as we approach that era we will have progressed in our human affairs as well.

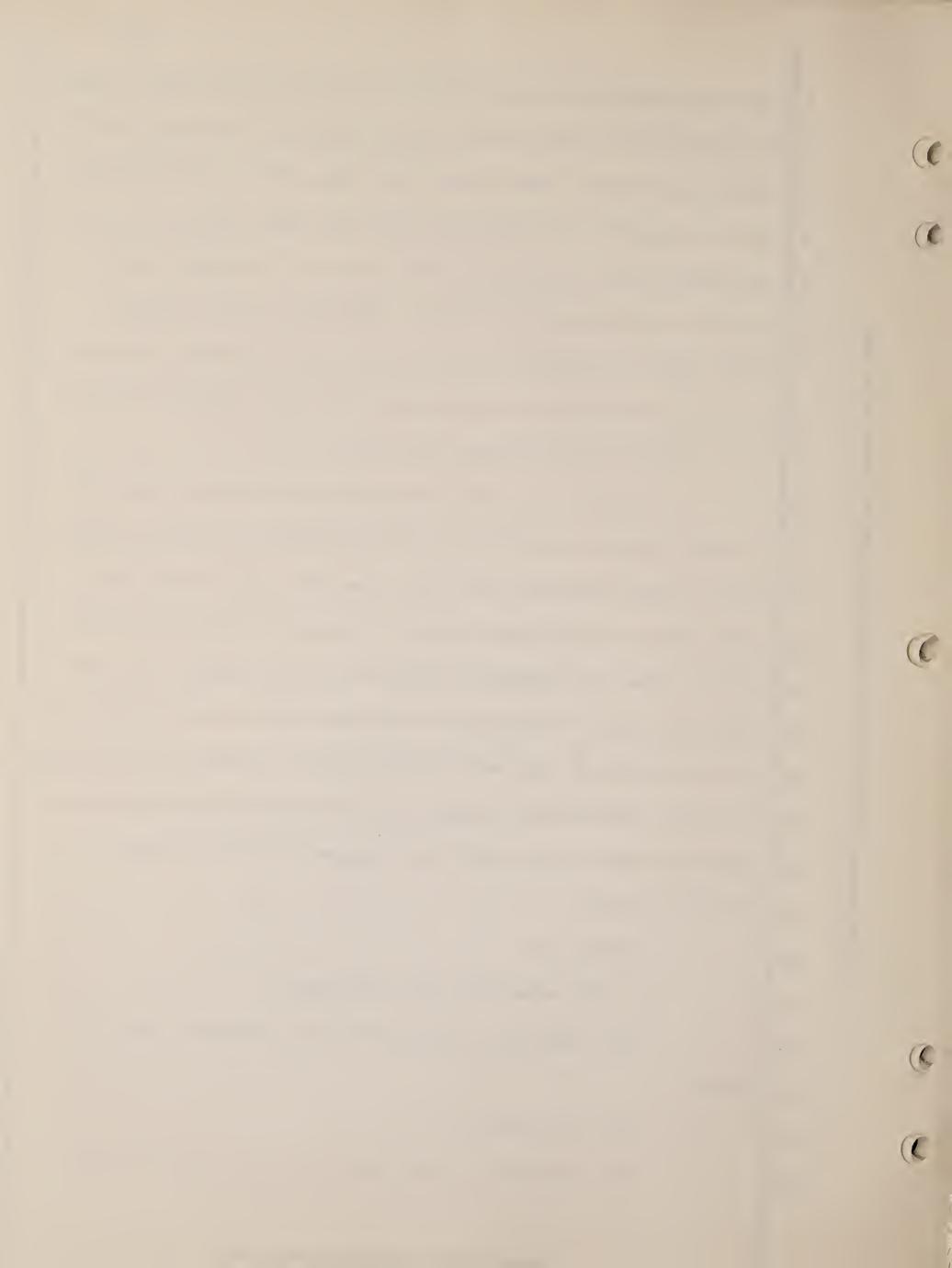
Thank you.

I now entertain any questions.

MR. RICHARDS: Any questions or comments from the

(No response.)

MR. RICHARDS: Thank you. It was, as last time,



informative and we appreciate your coming.

MR. RICHARDS: Hilary Wendt with the Wild Horse Organized Assistance. Ms. Wendt is not--

MS. WENDT (interrupting): Yes, I am here.

STATEMENT OF HILARY WENDT

MS. WENDT: Gentlemen, I have been contacted by another organization that I am not representing and I have been asked to add their testimony also and I request the permission to do so.

MR. RICHARDS: Yes, that is sufficient.

If you will have a seat right over there.

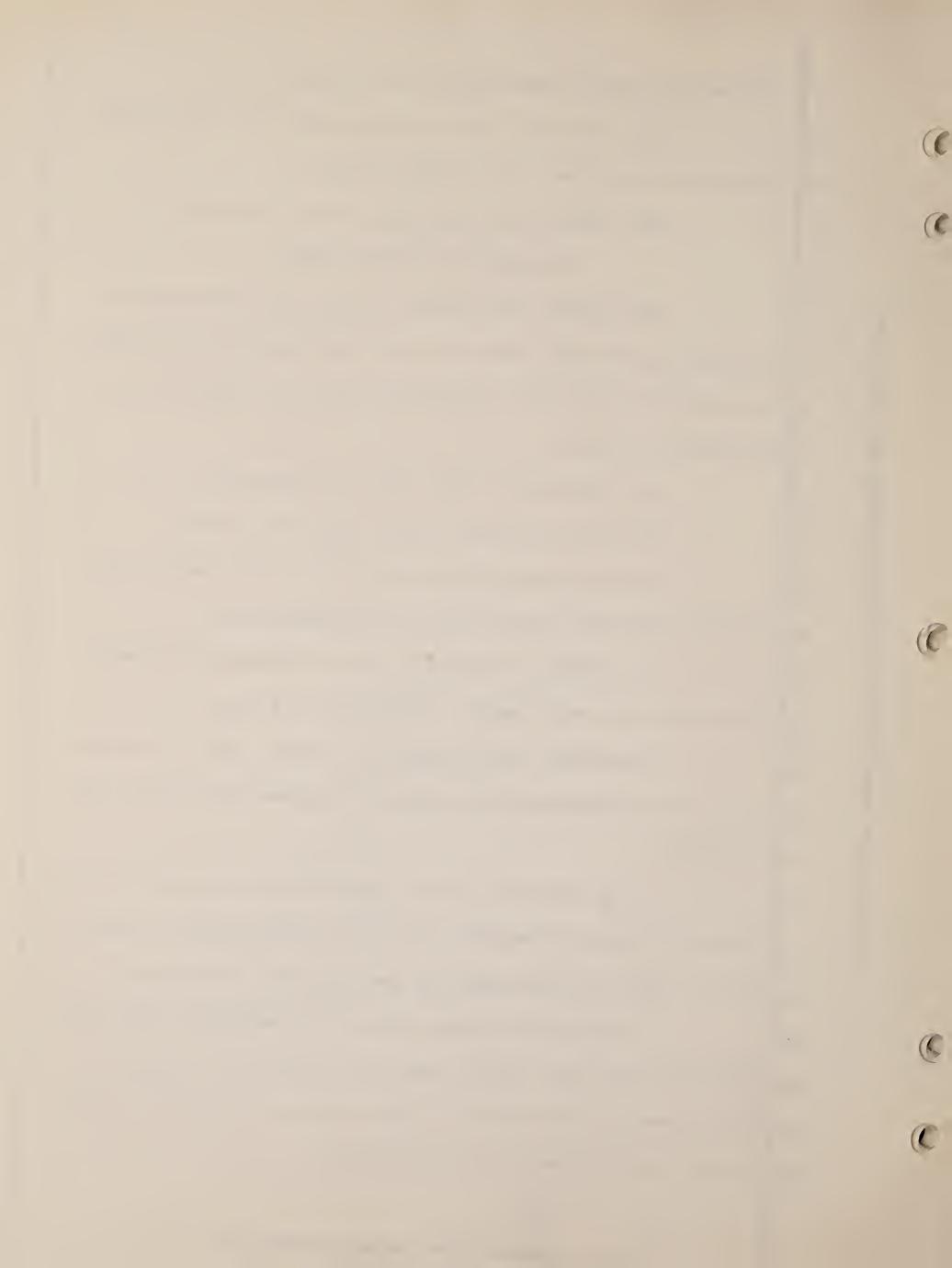
The testimony that you wish to add, does it, in effect, duplicate yours or is it supplementary?

MS. WENDT: Basically, it is Friends of Animals, Inc. and it is very short. I'll read it first.

Statement: of Friends of Animals, Inc. in connection with the proposed Oil Shale Development for Tract C-a, Colorado.

I am grateful for the opportunity to tesify on behalf of Friends of Animals, Inc. and thus give the organization's views as they apply to the proposed development.

Friends of Animals, Inc. is dismayed by the negligent attention that both Shell and Ashland Oil Companies have given to the welfare of the variety of species present in the area proposed for development.



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We respectfully request that Ashland and Shell Oil Companies proposals be rejected on grounds of insufficient provision for the welfare and well-being of the animals inhabiting Tract C-a. Respectfully submitted for Friends of Animals, Inc.

MR. RICHARDS: Yes, Ms. Wendt, I think they had reference to Tract C-B. We are now on Tract C-a, which is Standard and Gulf.

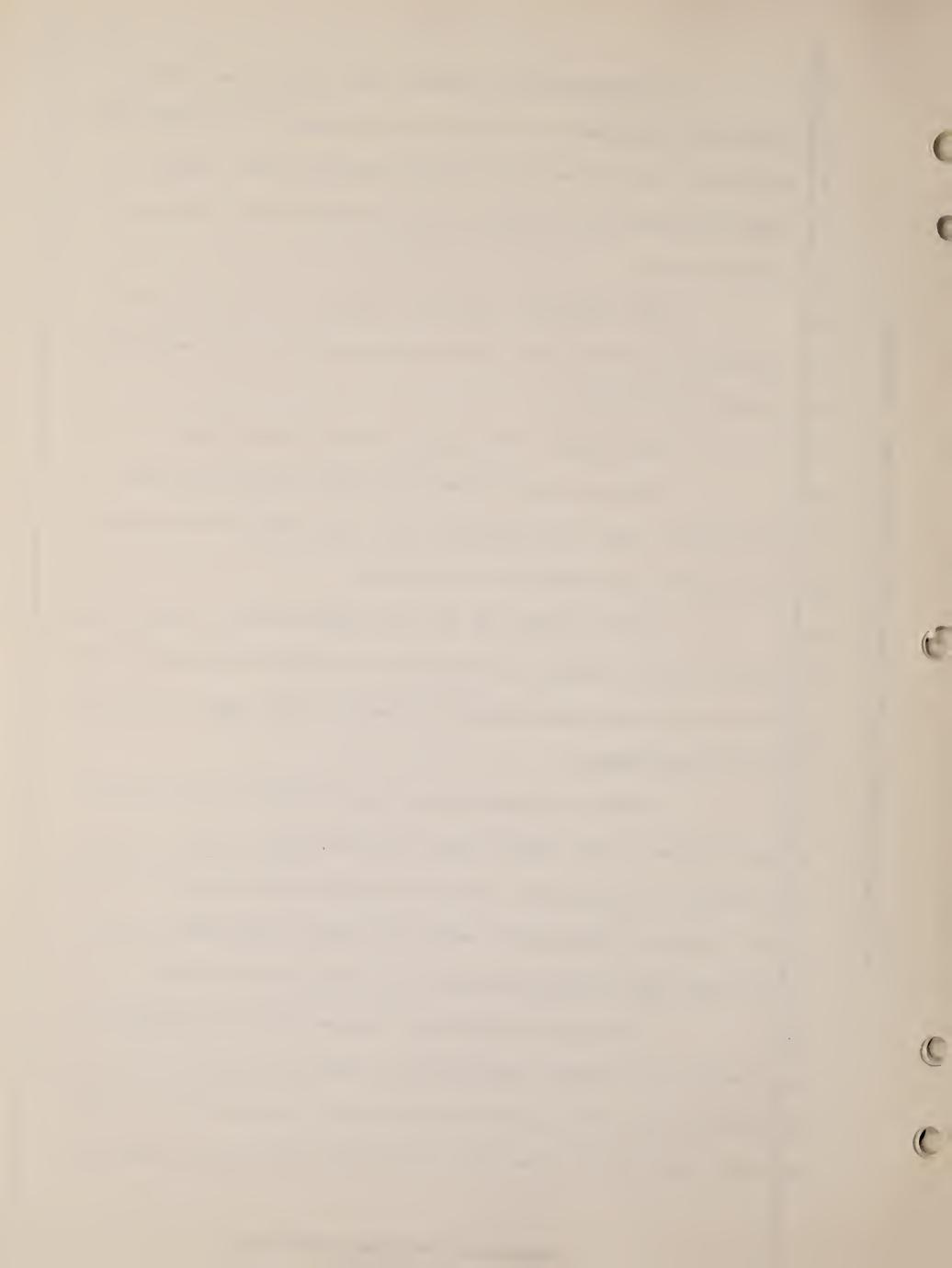
MS. WENDT: I'm sorry, I meant Tract C-a.

This is the statement of Wild Horse Organized Assistance, Inc. in connection with the proposed Oil Shale Development for Tract C-a, Colorado.

Again, thank you for the opportunity to appear here before you on behalf of Wild Horse Organized Assistance, Inc. to present the organization's views as they apply to the proposed development.

whoa! is committed to the welfare of wild horses and burros on the public land, now required by law to be considered as an integral part of the natural system of the public lands in cooperation with the federal agencies in the carrying out of the provisions of Public Law 92-195.

Since wild horses and burros are to be managed in a manner to achieve and maintain a thriving natural ecological balance with other public land use, we respectfully request that their welfare be kept in mind and that your recommenda-



tion concerning the proposed development be aimed toward that goal. We have grave concerns over the commercial over-exploitation and energy development that has, in many instances, caused irreparable damage to our public land resource. We look to you for wise recommendations that will: One, result in curtailment of commercial over-exploitation. Two, give greater consideration to public values than to the short term economic advantage of profit seeking individuals or concerns. Three, limit energy exploration and development to a minimum of disruption to the environment.

Hundreds of letters have been directed to International Society for the Protection of Mustangs and Burros, an organization under the same executive leadership as WHOA!, in which the writers have expressed their interest in the favorable consideration of the welfare of wild horses and burros in the decisions concerning public land use. The files of our organization are available for an inspection of these letters should you desire to do so.

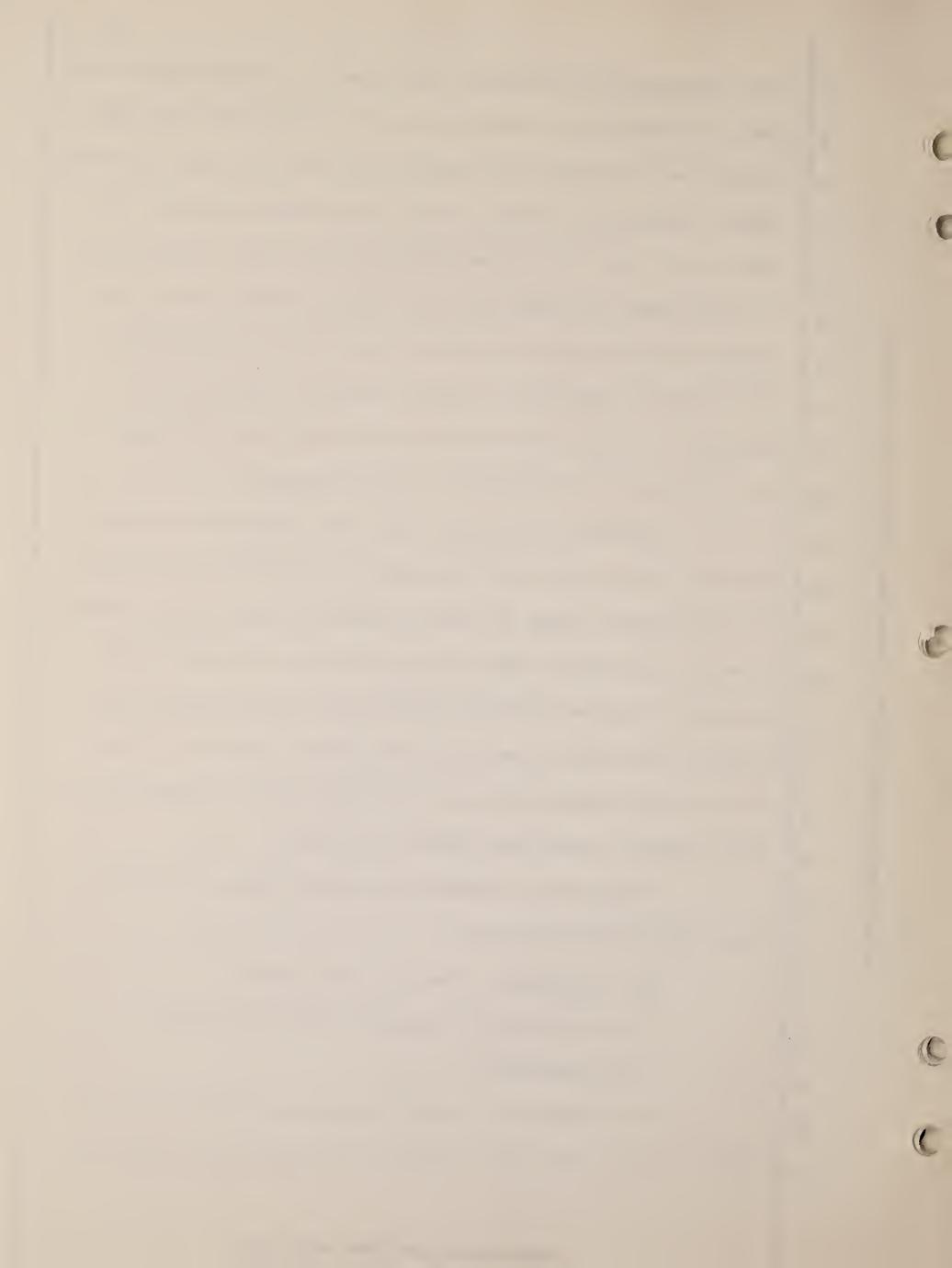
Respectfully submitted, Hilary Wendt, for Wild Horse Organized Assistance.

MR. RICHARDS: Thank you, Ms. Wendt.

Any questions or comments from the panel?

(No response.)

MR. RICHARDS: I had a question occur to me, Ms. Wendt. Do you have some evidence or finding that there are



wild horses and burros, for example, on this tract or nearby?

MS. WENDT: Yes, sir, we do. One is the Bureau of

Land Management report on the White River Resource Center,

Craig District, Colorado. Also there are numerous eyewitness

MR. RICHARDS: And your point would be that the development--

sitings of three herds of wild Mustangs.

MS. WENDT (interrupting): We think it would disrupt their migrating pattern.

MR. RICHARDS: Do they migrate through this area?

MS. WENDT: Yes, they do, to receive more area for forage, and I believe in the report itself it says that there are approximately 143 horses in Piceance Basis, 57 in the area south of Rangely.

MR. RICHARDS: That is from the BLM report?
MS. WENDT: Yes, it is.

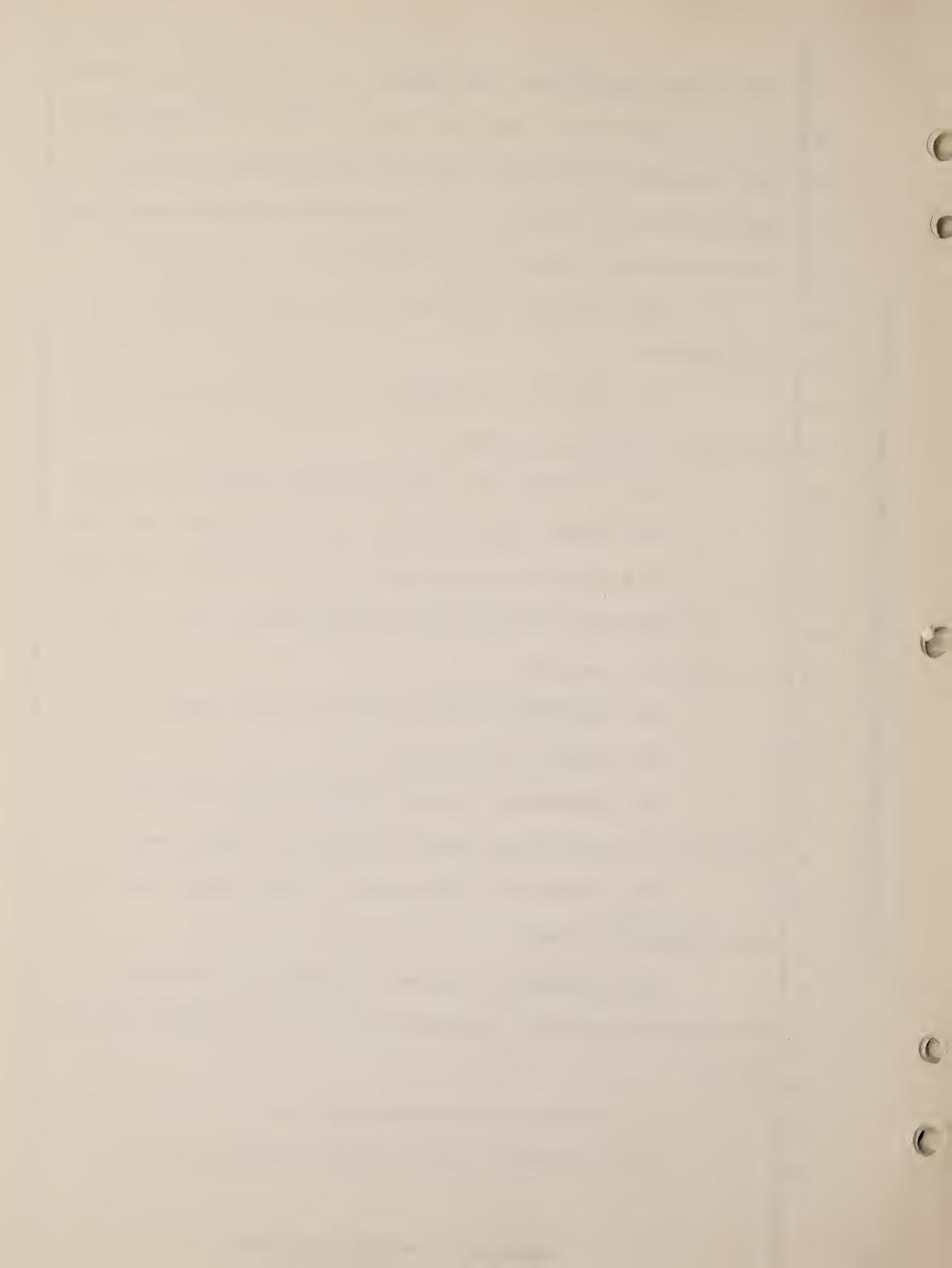
MR. RICHARDS: Do they deal with or treat the effect on the wild horse and burro herds of Tract C-a?

MS. WENDT: No, they don't. This is our own statement concerning that.

MR. RICHARDS: Is there anything in the detailed development plan that you read that you feel enters with this factor?

MS. WENDT: Not effectively, no.

MR. RICHARDS: Or the socio-economic survey?



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MS. WENDT: No.

MR. RICHARDS: Thank you.

Ms. Peggy Rector, Rangely Board of Trustees.

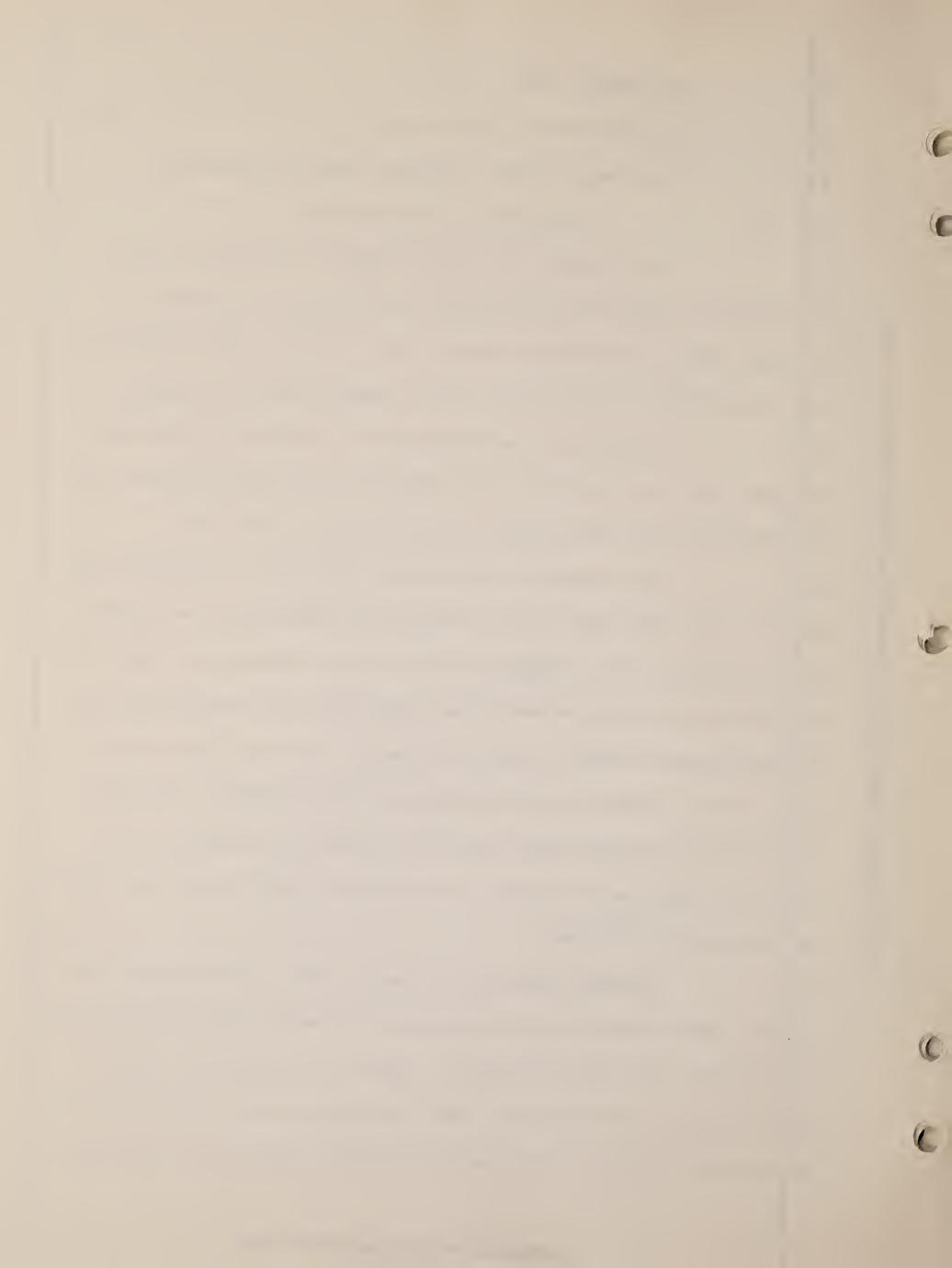
STATEMENT OF PEGGY RECTOR

MS. RECTOR: My name is Peggy Rector and I am a member of the Board of Trustees for Rangely, Colorado. I have been a resident of Rangely for 13 years. My husband is a descendant of one of the first homesteaders in Rangely.

As most of the materials in the Detailed Development Plan for Rio Blanco Oil Shale Project are technical, my comments will cover only a small portion of the DDT.

The residents of Rangely, Colorado, recommend that the road from Tact C-a to Rangely be constructed as Rangely is desirous their employees. Tive in our community. The road would also conserve energy as there would be fewer miles for employees to drive to and from work. With the fewer miles to drive, there is less possibility for accident. If this road were constructed, the total miles from Rangely to C-a tract would be 22 miles. At present to get to the site from Rangely is 77 miles.

Rangely was once a town of over 4,000 people. We are now a town of 1,700 residents and would like to grow back to the 4,000 and get larger. Rangely survived the impact of the oil boom days for 1945 and while we are concerned, we are not afraid of the possible impact. We are, in fact, pre-

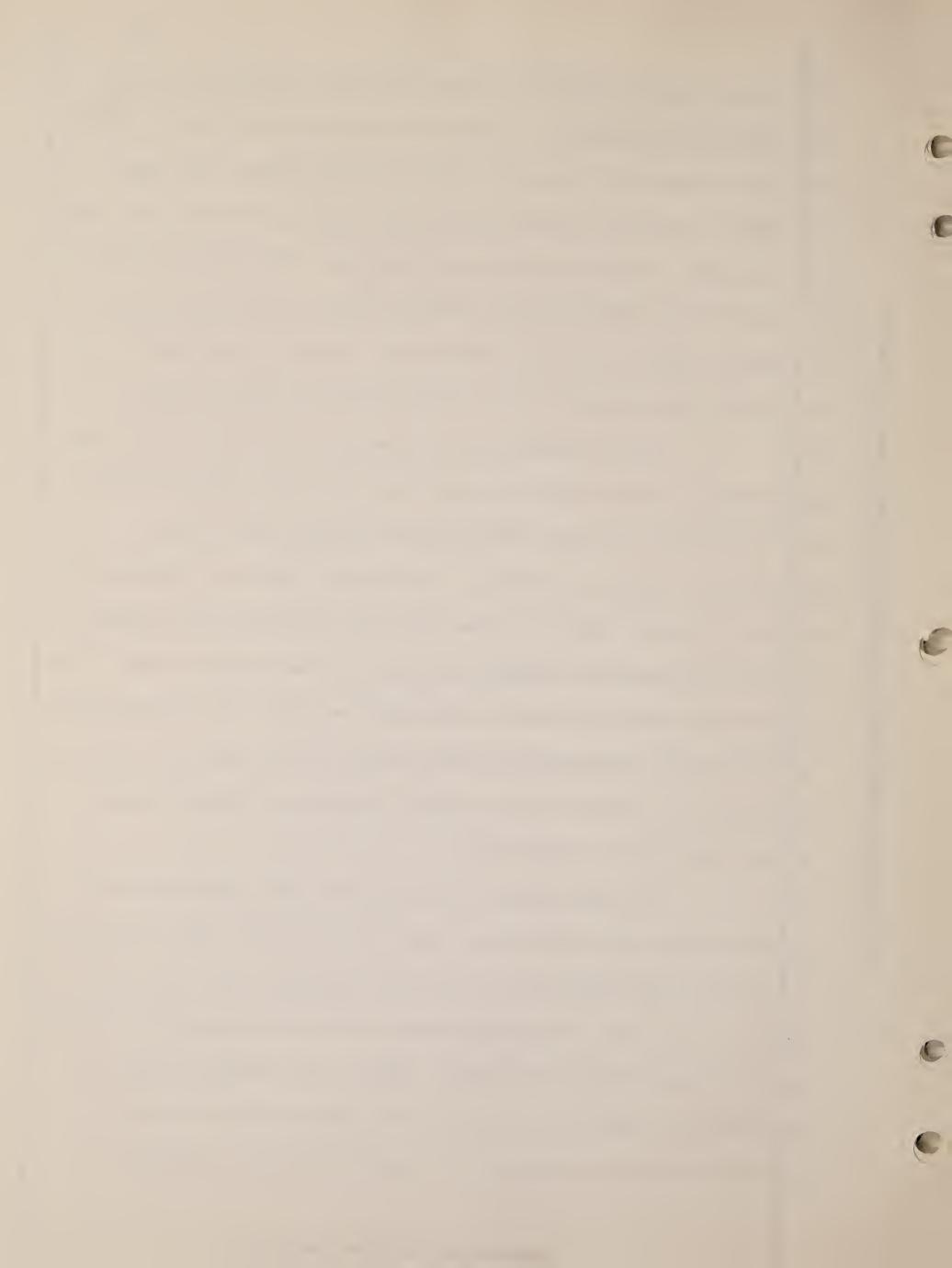


paring for it. Both our water and sewer systems are being upgraded and expanded to handle a population of up to 5,000. The recreational district has also been formed. The taxpayers recently passed a bond issue for \$1.2 million for construction of the recreational facility. This facility will include an indoor-outdoor swimming pool, racket ball court, tennis courts and other facilities. This recreational center is scheduled to be in operation by fall of 1977.

We in Rangely also recommend that Tract C-a be permitted to lease off-site lands for the plant construction, overburden and spent shale disposal which will enable greater resource recovery. The Rangely Board of Trustees have written letters to the Colorado Congressional delegation recommending passage of this necessary legislation. The Rangely Board of Trustees have also written our Congressional delegation recommending modification of the clear air laws to permit Rio Blanco and the shale industry to operate using the best proven technology.

The Rio Blanco Oil Shale Project representatives have been very cooperative with us in Rangely. They have provided us with assistance which we would not have been able to get on our own. Representatives from the Foundation of Urban and Neighborhood Development, FUND, have worked to get the residents input in Rio Blanco Oil Shale Project's plans.

Gulf Oil Real Estate and Development Company, GOREDCO, is



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preparing a master plan to help us plan for Rangely's future We have not agreed with all of their recommendations but do appreciate their assistance and believe that we will have a workable plan by the time we finish. The industrial relations department for Morrison-Knudsen Company, Inc. made a housing and employment survey, which has been helpful to many in our business community.

An advisory group of ten Rangely citizens was formed to keep the citizens advised of plans for Tract C-a and to advise Rio Blanco Oil Shale Project of the comjunity reactions to their plans.

Overall, we have enjoyed a good working relationship with the Rio Blanco Oil Shale Project management and are confident that they will continue to cooperate with our town government as they continue their efforts to develop the oil shale resources in our area. The present Town Council will do everything within its power to accommodate new growth and further relations with GOREDCO for the benefit of Rangely and surrounding areas.

Thank you.

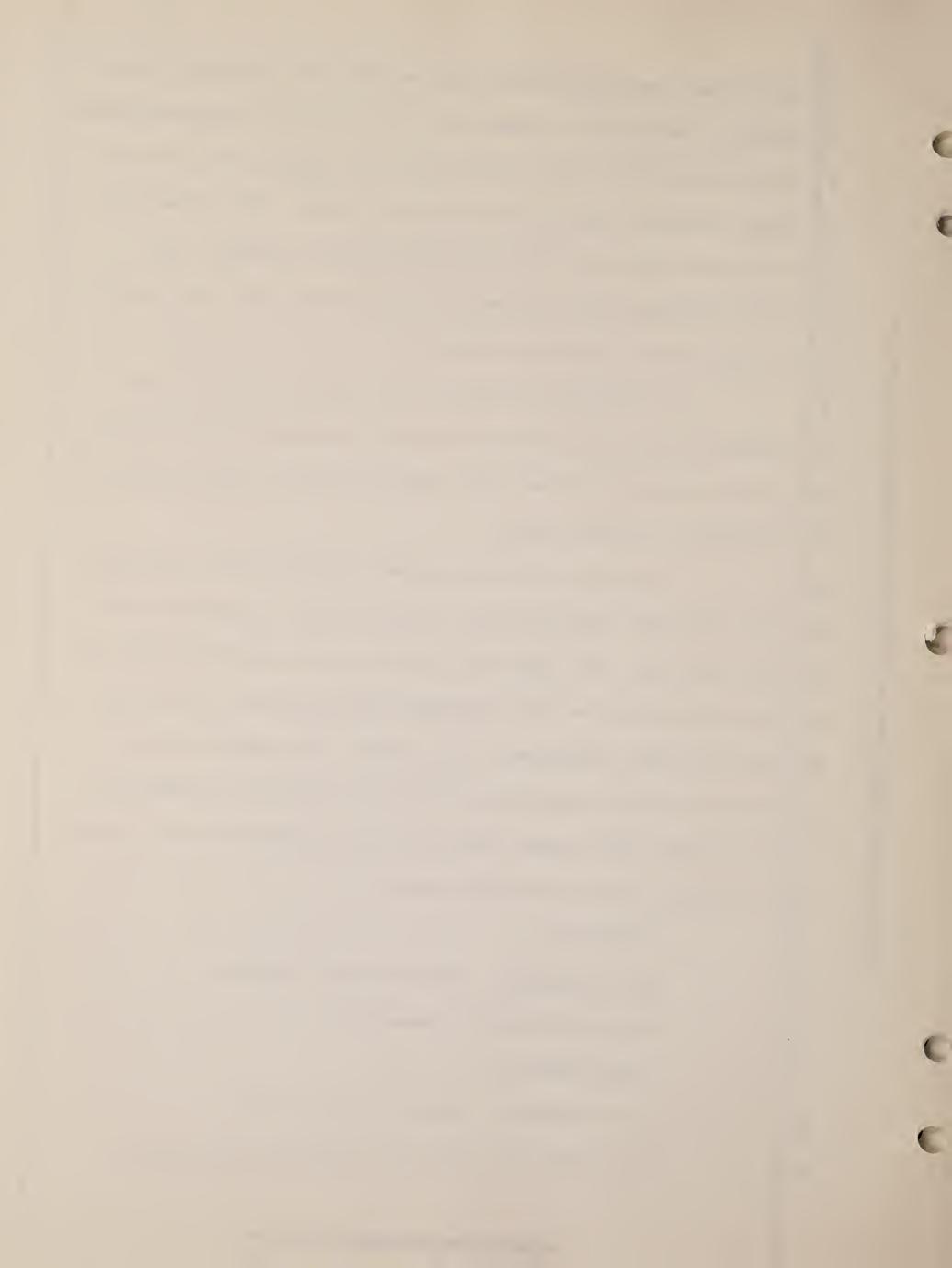
MR. RICHARDS: Thank you, Ms. Rector.

Any questions or comments?

(No response.)

MR. RICHARDS: Thank you very much.

Ms. Wilma Winn who is a citizen from Rangely.



STATEMENT OF WILMA WINN

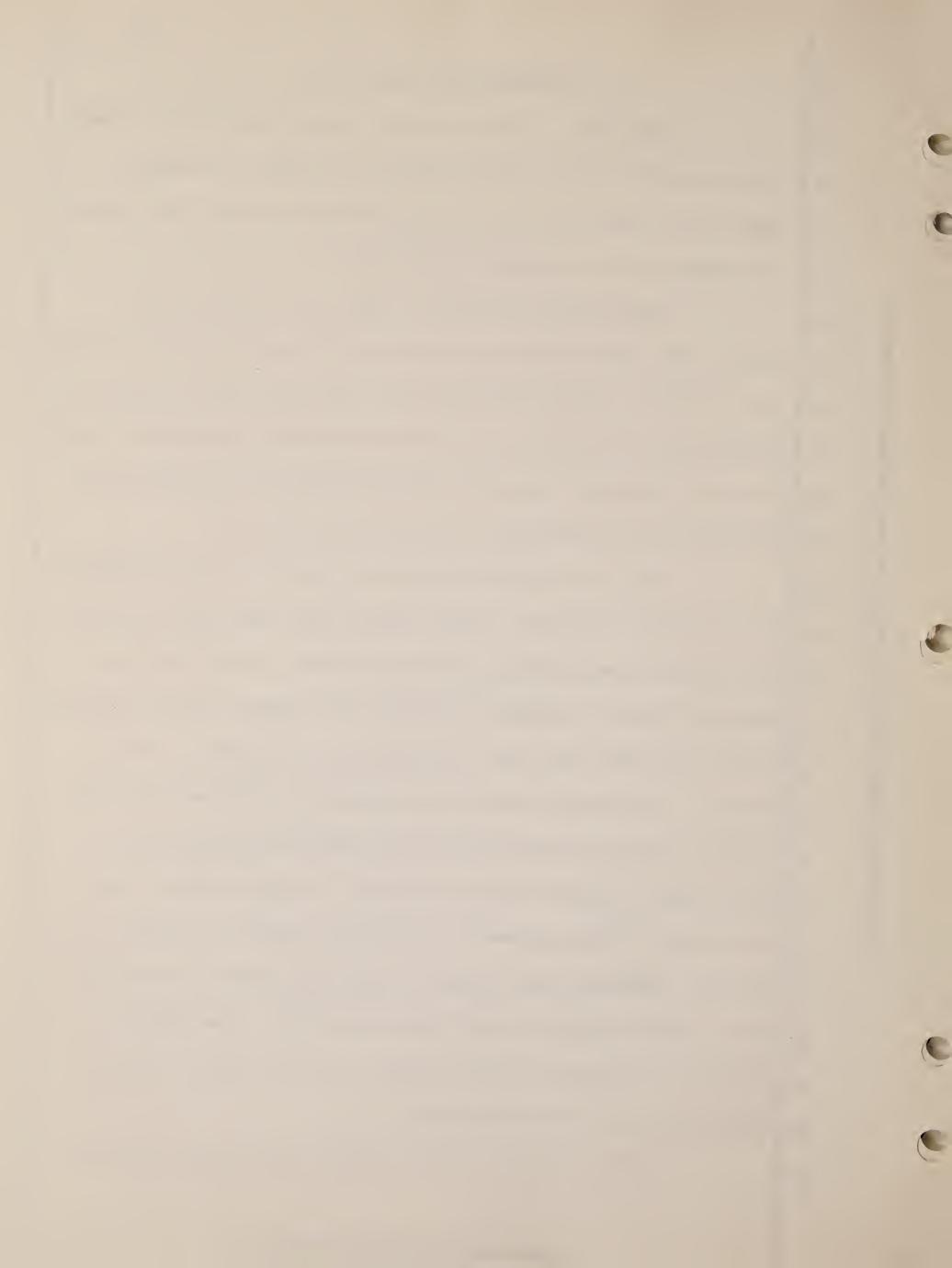
MS. WINN: I am a retired teacher and I have lived in Rangely 48 years, retired teacher 28 years in Rangely, speaking in favor of the development of oil shale. The ideas and impressions expressed are my own.

Rangely was founded in 1880 as a trading post.

Before 1944 there were approximately 100 residents and, behold the oil boom. Total population for the area was in excess of 4,000 before the boom turned into something resembling a bust. At first, Rangely staggered, then recovered its balance and settled down to building a more stable town.

The citizens of Rangely are proud of the accomplishments made in 30 years. Many things have been made possible with sheer determination and imagination: I was there in Governor Knous's chambers in 1946 when Rangely School District asked the state for help. The meeting resulted in a filibuster. The school district then bonded itself and sold the bonds to furnish education for the expanding population. After that we began to ceate special districts within districts for taxing purposes in order to acquire a junior college, hospital and clinic, a fire department, sanitation and a newly formed district for recreation. The modern library is supported by the school district with a special signed petition from taxpayers.

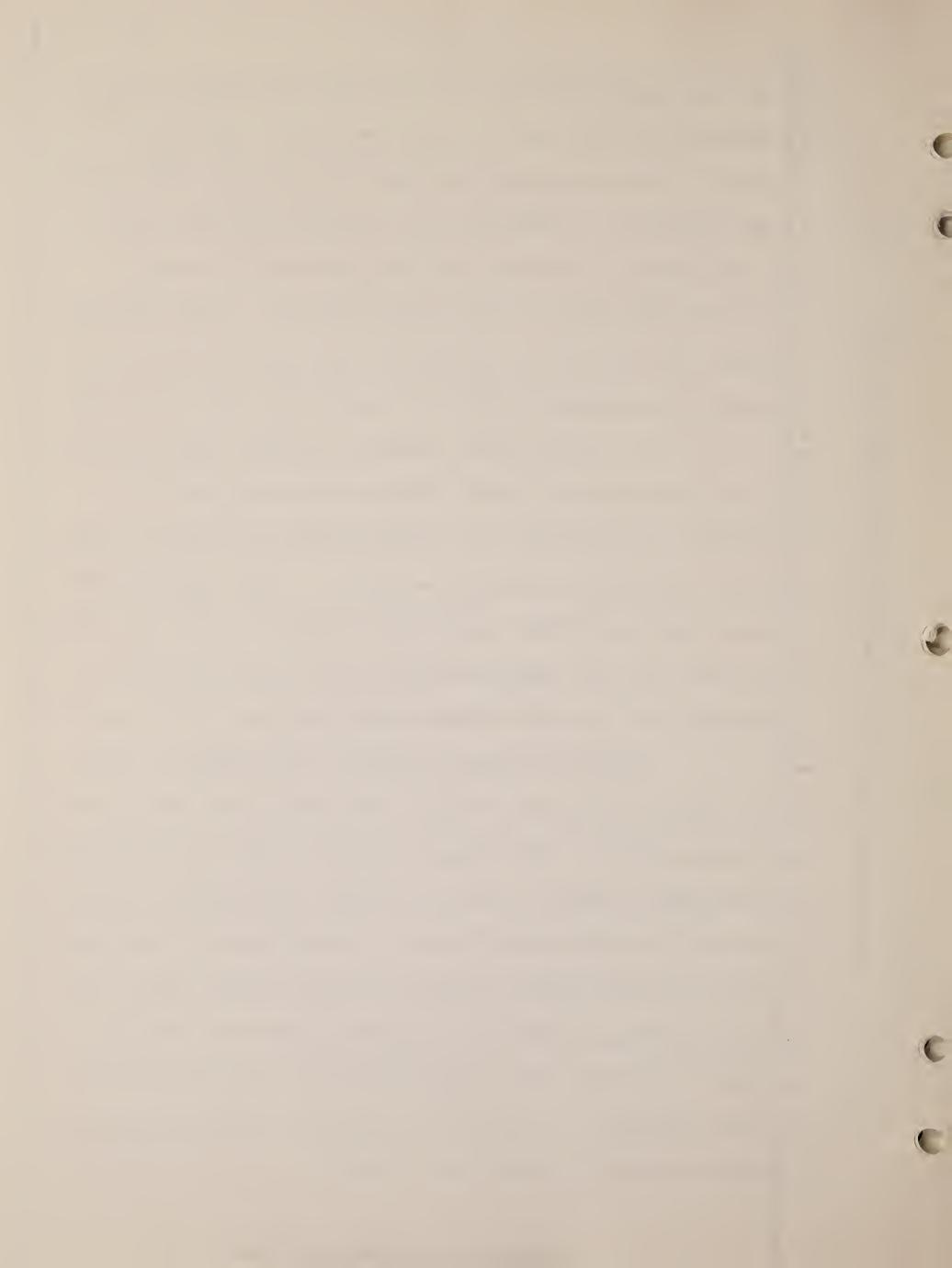
Today Rangely faces a future with strong optimism.



We have closely followed the historical development of the potential of oil shale. We are the closest town to the C-a tract. Citizens support the road into the site. We welcome new residents. A newcomer is a stranger yesterday and becomes quickly integrated into the mainstream to become a contributing member of the social structure. Most citizens agree, we have met the challenge before and are better prepared to accommodate growth now than at any time previously.

Mr. Dick McElroy, community affairs representative w ith Rio Blanco Oil Shale Project, has been coming to Rangely for two years. He attends Chamber of Commerce meetings, City Council planning sessions. He has organized and meets with an advisory group once a month. He was our first contact with the proposed project and has been helpful in keeping the citizens informed of the progress on C-a tract.

Gulf and Standard helped fund the James M. Bowers
Rio Blanco County plan, Rangely used Bowers for their first
planning effort. The change was made to Gulf Oil Real Estate
Development Company in July 1975 after Rio Blanco Oil Shale
Project offered to retain them to act on behalf of the town:
There have been public meetings to obtain local input. The
plan is being prepared to incorporate expressed views and
needs. Revisions were suggested and are being made before
final adoption. The plan is to serve as a guide in dealing
with the physical growth as it occurs.



rund, Foundation for Urban and Neighborhood Development, was retained by Rio Blanco Oil Shale Project in February 1975 to develop data concerning local attitudes and desires pertaining to growth associated with oil shale. The results found Rangely ready, willing and able to expand as needed. The people sent in by FUND were very helpful, courteous and observant. They were diligent workers and we would like to keep them here.

We want oil shale developed because there is a need now. We feel it is a chance for our town to realize some benefits such as employment of youth, a larger airport, better transportation, improved shopping and so forth. Also, due to the revised operating methods in the present oil field, we are seeing a decrease in the number of workers. Oil shale could fill a void at this time.

We support 84-Mesa because the plan has been thoroughly researched and we feel it will not harm the environment.

I thank you.

MR. RICHARDS: Thank you, Ms. Winn.

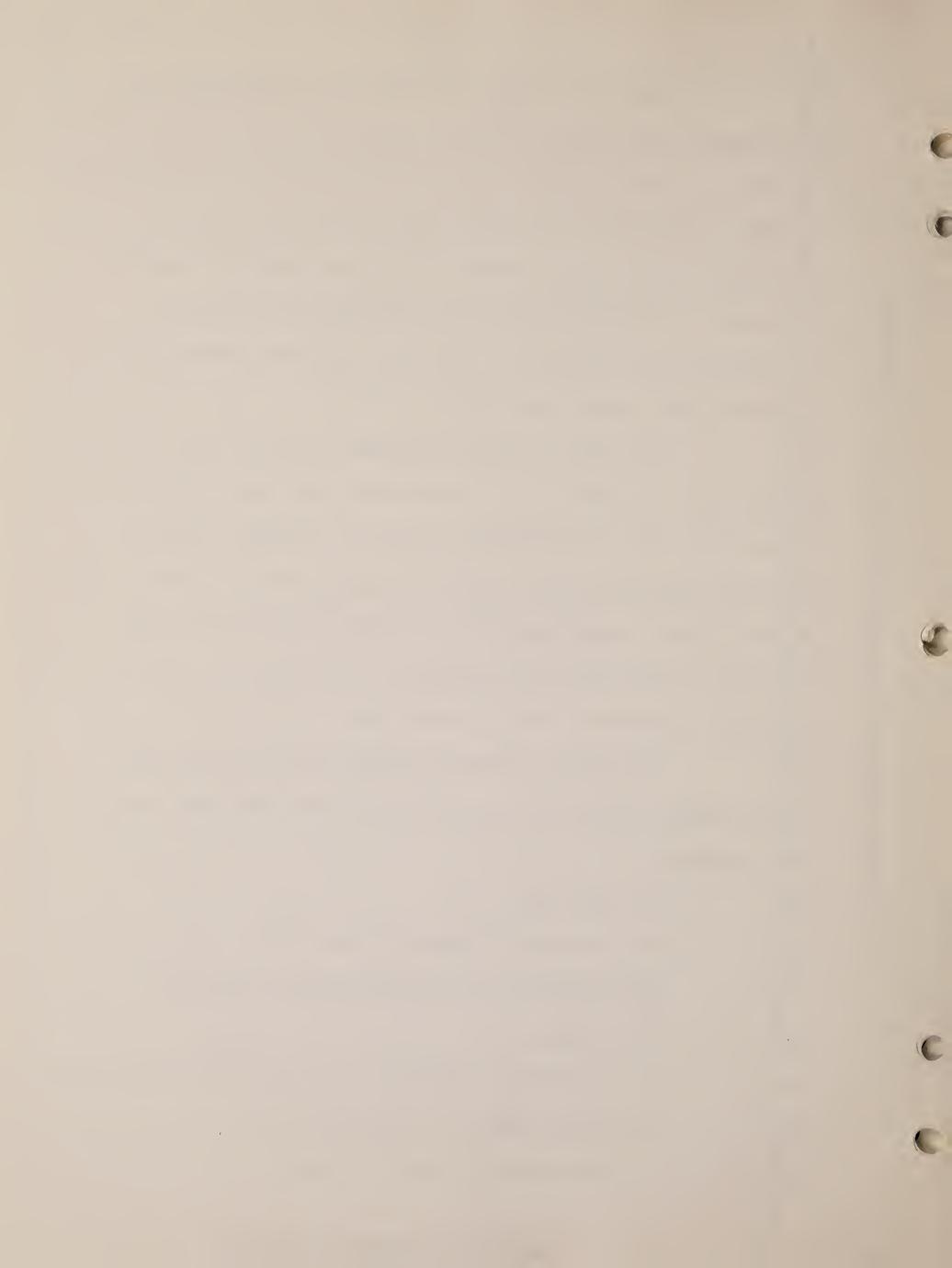
Any questions or comments from the panel?

(No response.)

MR. RICHARDS: Thank you very much for coming over.

Mr. Allen Stokes of the Sierra Club.

STATEMENT OF ALLEN W. STOKES, JR.



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MR. STOKES: I am Allen Stokes, an attorney with the Sierra Club of Denver and I give these remarks of the Enos Mills Group, that is the Denver group of the Sierra Club.

I might mention before I start that I have about ten extra copies of my remarks and I will leave them here for the people who can pick them up if they want.

MR. RICHARDS: Fine, if you would leave them on the reporter's table.

MR. STOKES: The Enos Mills Group of the Sierra Club opposes the use of land outside Tract C-a, such as the Mesa 84 site, for processing facilities of spent shale disposal and other ancillary uses. The C-a tract least is part of the federal prototype leasing program and is thus intended to operate at an experimental as opposed to a full scale commercial level reaching as high as 300,000 barrels per day as suggested in the Detailed Development Plan. thus appropriate that the entire operation be contained within the lease. Even locating the spent shale and retorting facilities on site, there will be sufficient oil shale resources to allow satisfactory completion of the prototype program. It is not necessary to open-pit mine the entire eight square mile lease to determine the environmental and economic feasibility of oil shale development.

The Sierra Club finds rather presumptuous a Detailed Development Plan which is based on use of off-site land.



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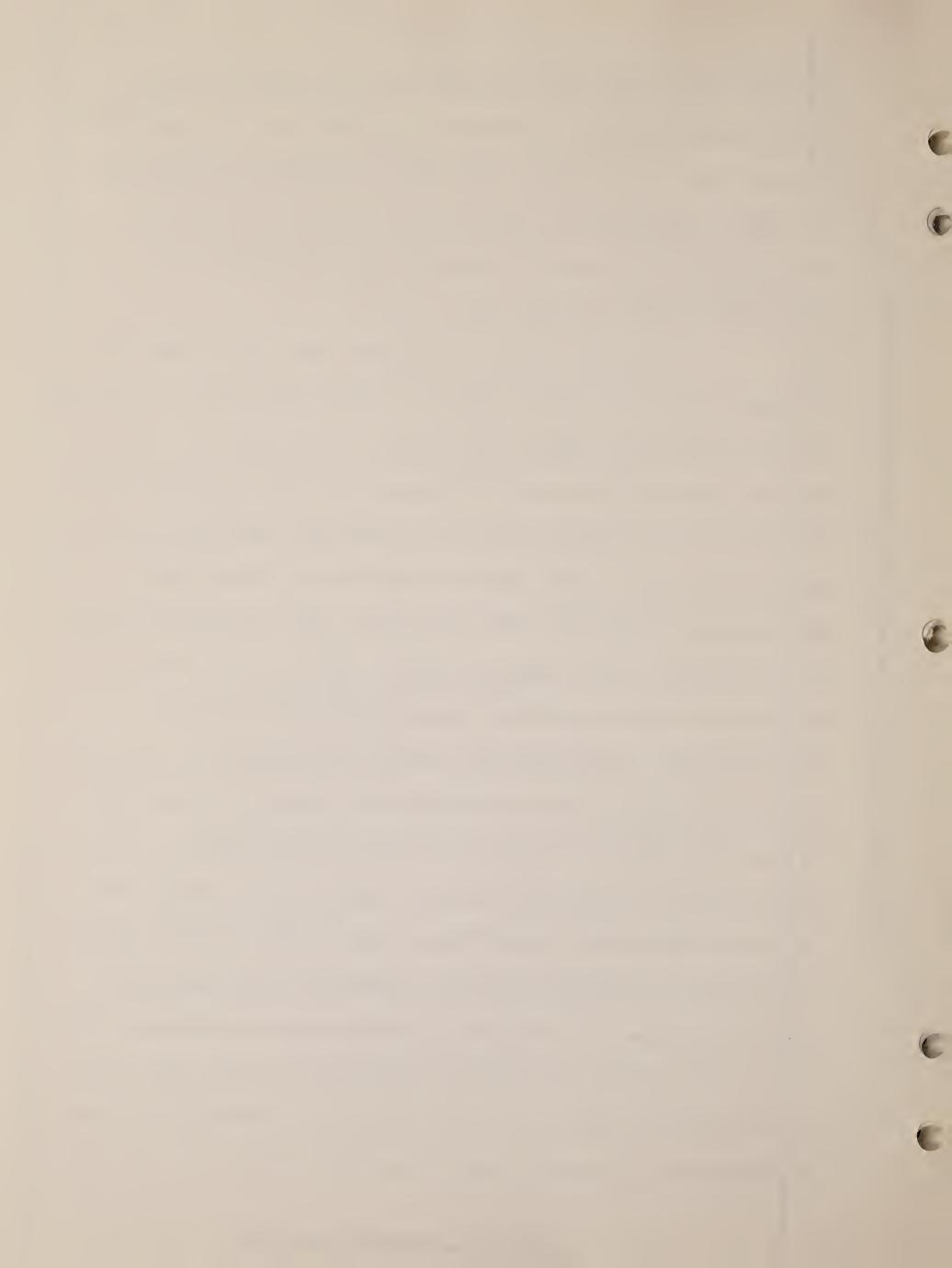
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Act which prohibits operations to 5,120 acres, the approximate size of the lease. The DDP is premised on passage of federal legislation. Clearly it is illegal or certainly unproper for Interior to approve this DDP prior to the passage of the required law.

Interior should not approve this DDP because the plant will emit sulfur oxides at levels which will on occasion cause Colorado's ambient SO2 levels to be exceeded. Dispersion modeling conducted by lessees shows SO2 emissions under Phase I will violate Colorado's three-hour ambient standard and operations under Phase II levels will violate both Colorado's three hour and twenty-four hour ambient standards in portions of the Piceance Basin. This is not a continuous violation but on occasion, according to the company's monitoring. Such pollution levels, particularly in combination with other pollutants, may cause injury to plant life and will impair the present clean air of the Basin. Section II of the lease requires operations to comply with federal and state air pollution laws as well as other laws. Therefore, Interior should not approve the DDP until the lessees agree to install air pollution control equipment sufficient to prevent ambient SO2 violations or until the current standards are weakened by the Colorado Air Pollution Control Commission, preferably the former will occur.



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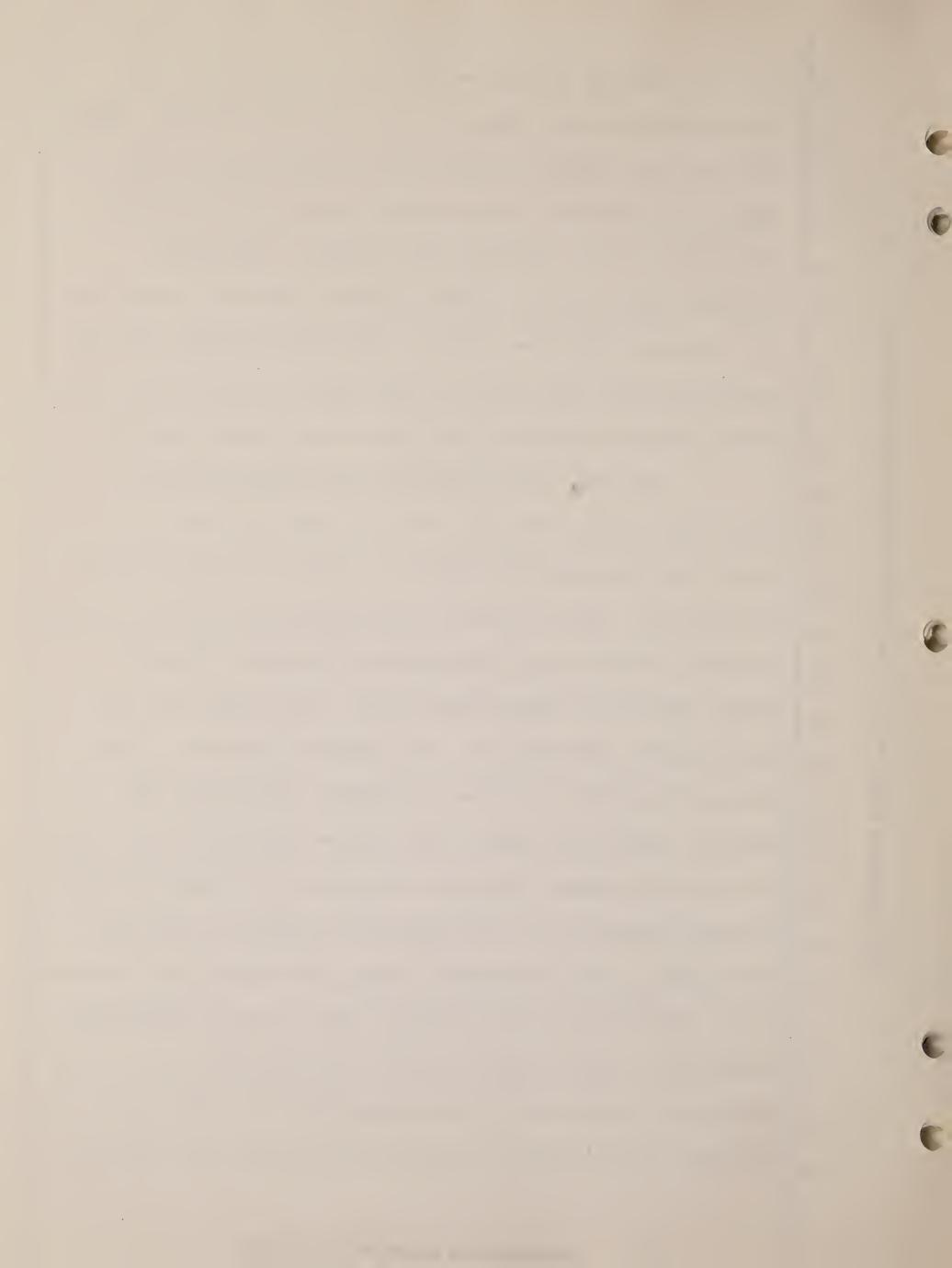
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The DDP recognizes that increased traffic will cause increased road kills of deer and other wildlife. The DDP does not, however, explore the possibilities of the companies' providing transportation by bus, for instance, and making its use mandatory for workers. This would eliminate much traffic, reduce wildlife mortality as well as air pollution; and save energy. Since most workers will be commuting from a few towns, perhaps mostly from Rangely, this scheme should be practical and convenient for the workers.

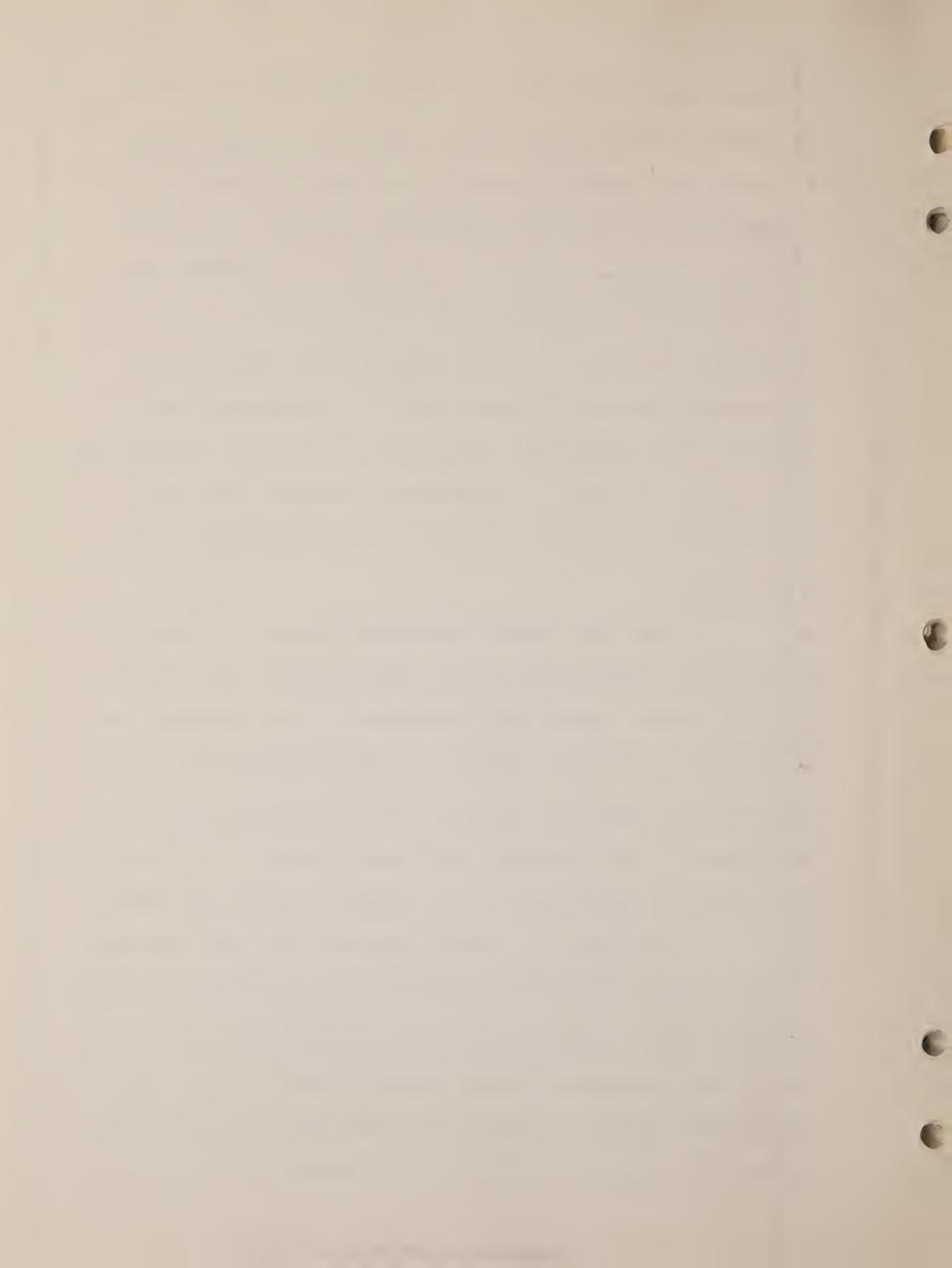
The DDP, while explaining the process used to select the 84-Mesa site for off-site disposal, does not describe the environmental impacts to result from use of each alternative. The DDP refers to the underlying evaluation study entitled Environmental Evaluations of Proposed Disposal Sites, Tract C-a, dated August 1975. This study does not significantly elucidate the environmental impacts. Only cursory discussion is given to wildlife impacts and the dominant vegetation types. The various impacts on each tract are rated by numbers representing severity of impact thereby allowing comparison for any particular parameter with the same impact on an laternative tract. This sytem does not provide a description of the impacts, thus allowing independent The underlying data is not comparison of the various tracts. contained in the study. The analysis does not make clear, for instance, why 84-Mesa is considered environmentally superior



greater sandhill cranes which could be disturbed. These cranes were spotted during the two migration seasons in 1975 although they were not sighted this spring. It is still cause for alarm if they use this site on a periodic basis. I might say in regard to this study that it is a good attempt, I think, to try to compare in the past of the various alternative sites by use of a numbering system to allow ready comparison. But at the same time, a reader has to go on the faith and credibility of those who prepared the report and the underlying environmental information is lacking.

The DDP proudly proclaims numerous actions which Gulf and Standard Oil plan to take to reduce environmental harm. These efforts and promises are to be commended. They should, however, be reduced to binding obligations included in the DDP approval document. This procedure should not be onerous for the companies if they do intend, as I presume, to follow and may be of great benefit to the environment.

Finally, if Interior approves this DDP, approval must only be given after the Department prepares an environmental impact statement pursuant to NEPA. The EIS prepared for the prototype oil shale leasing program is not adequate to describe impacts to result from development of Tract C-a. That EIS, prepared in August 1973, almost three years ago.



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did not benefit from the greatly increased understanding of the environmental impacts of oil shale development which have been discovered through numerous subsequent studies. These studies should be synthesized as they pertain to Tract C-a and become a basis for an impact statement prepared on the DDP. Also the mining plan as discussed in the DDP varies from that envisioned in the EIS for the prototype That EIS foresaw dumping of spent shale in Water Gulch west of the tract rather than on the Mesa 84 site. also predicted that backfilling of the open-pit mine could begin 16 years after operations began as opposed to the 30 years projected in the DDP. The EIS calculated environmental impact based on widening of the existing dirt access road, not on a new road being built from Rangely. The EIS calculated that all air pollution laws would be met and calculated impact on the environment accordingly. The EIS in 1973, therefore, did not recognize that Colorado's ambient SO, standards would be violated and thus did not calculate impacts to arise therefrom. These are some of the important differences between the project as envisioned in the prototype statement and that which is now planned.

Thus, it is inappropriate for government decision makers to rely on the EIS for the prototype leasing and obviously only the Detailed Development Plan the company's to approve this DDP.



Thank you.

MR. RICHARDS: Thank you, Mr. Stokes.

Any questions or comments from the panel?

(No response.)

MR. RICHARDS: Mr. Stokes, I have one question that occurred to me. I noticed that you were remarking about the highway to the tract and were you suggesting that the Department of the Interior could impose as a condition to approving the DDP that certain people could only travel by bus on the state highways? Was that the thrust of what you were saying?

MR. STOKES: Well, I think that it would be greatly beneficial if the companies would voluntarily supply some form of mass transit and make this available to their employees. I think the Interior would have the power to require this as a condition of going across BLM land and an overall condition on this permit.

MR. RICHARDS: Do you think a state highway easement conditioned upon only using buses for the state highway?

MR. STOKES: Well, I think the state road is essentially to aid a private development and if we are talking about legality, I think the Department does have the authority to require that the company make some sort of a mass transit available to its employees. I think this would cut down road kills greatly, probably cut down dust, certainly



save energy and might make this project a little bit more worthwhile.

MR. RICHARDS: Those are hopeful goals and I was just wondering about the legality of it upon using a state highway.

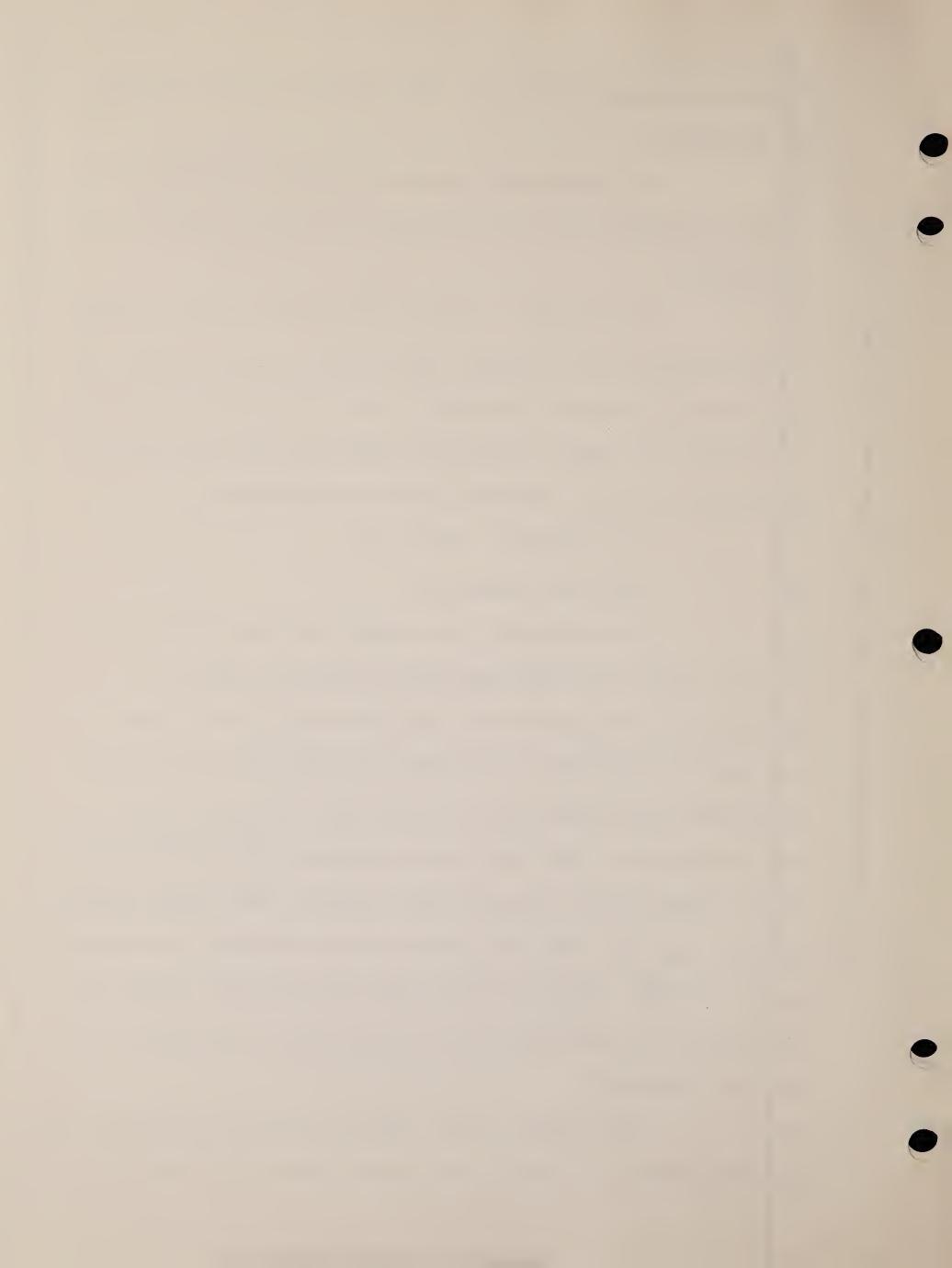
MR. STOKES: I haven't researched that. I think the Interior has, perhaps, some authority over whether that is built or not and certainly a lot of authority over what actions the company state will alleviate the Environmental Impact Statement resulting from C-a development.

MR. RICHARDS: Thank you.

Any other questions?

MR. RUTLEDGE: Yes, Allen, you mentioned it was your opinion that the Department shouldn't approve a Detailed Development Plan until, at least in this case, until specific authority is available or given for the off-site disposal envisioned here in this plan. Do you believe this is only one of the areas where we might call outside permits or right of way, granted right of ways? Many other permits are required. Now, they have outlined what has been required in the DDP. Do you believe that the Department should not approve that DDP until all of these other requirements have been obtained?

MR. STOKES: Well, there are some requirements that are probably a little less directly associated with the



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Interior land. I think that on-site disposal is the core of this plan. It strikes me that it is rather futile to go ahead and approve if it will be impossible to effectuate, you know, the permit or make any use of it. I think in the case, I guess, basically where the entire plan it premised on this other permit on BLM land that this decision should hold off until that legislation is passed, if it ever is. It looks like it's in some doubt right now.

MR. RUTLEDGE: You really haven't addressed the question. There are many parallel situations, though, that is the problem we are dealing with. We are considering which one comes first.

MR. STOKES: Well, I think this is one of the major permits. Of course, we could get into a Catch 22 situation,.

I suppose, if every other agency took the same stand and yet

I feel this is one of the key permits which the application could not go until this legislation occurred. I guess that's my position that it should just be tabled until Congress acts.

MR. RICHARDS: Thank you.

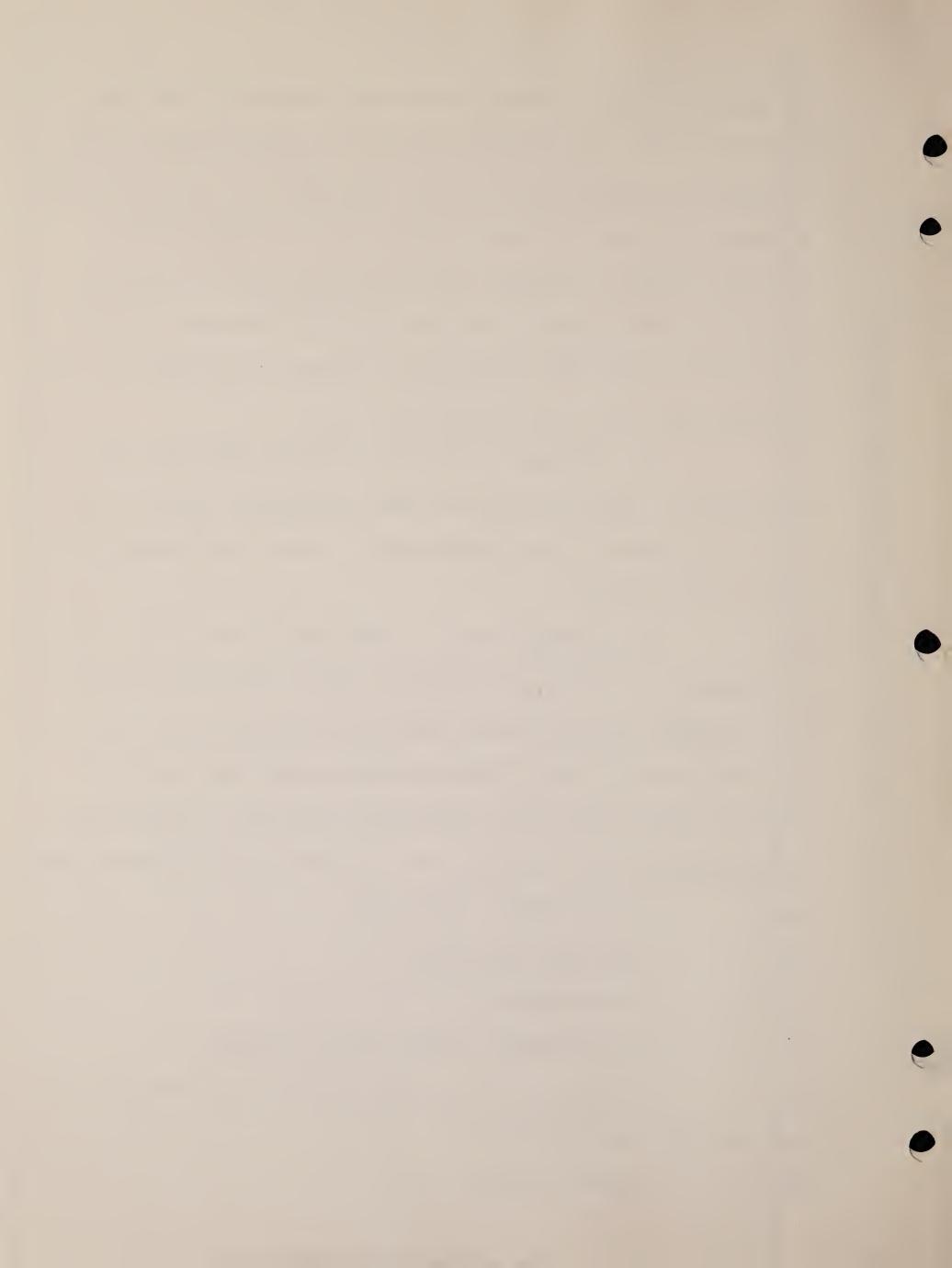
Any other questions?

(No response.)

MR. RICHARDS: Thank you, Mr. Stokes.

We will take about a ten-minute break before we resume with the next witness.

(Short recess.)



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MR. RICHARDS: On the record.

The next witness on the list is Mr. Doug Henderson of the Ricky Mountain Oil and Gas Association.

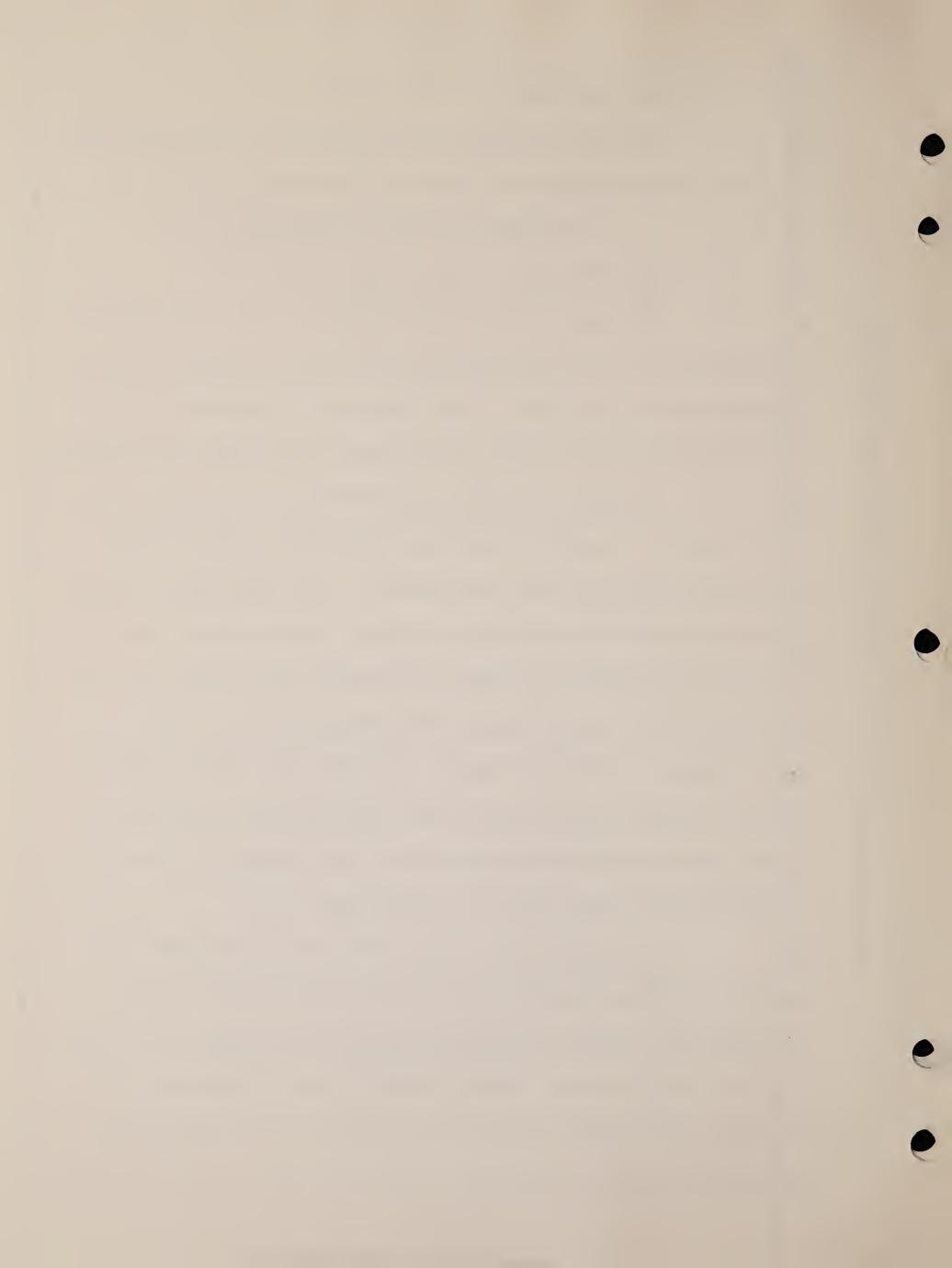
STATEMENT OF DOUGLAS HENDERSON

MR. HENDERSON: Thank you.

My name is Douglas Henderson. I am the executive assistant for the Rocky Mountain Oil and Gas Association's Committee on oil shale. The committee is composed of 24 companies and consultants interested in oil shale development.

We have actively participated in many programs and on numerous fronts in Colorado and Utah to assure sound planning for oil shale development. The committee is deeply committed to sound economic, social, environmental and technical planning in order to provide the citizens of Colorado and the United States with adequate energy supplies in an orderly, efficient manner. To that end, member companies have already invested more than \$500,000,000 in oil shale. You can be comfortable in knowing the committee's desire to develop oil shale right the first time.

The Department of the Interior's Prototype Oil
Shale Leasing Program was conceived and pursued in the
commendable spirit of moving ahead with oil shale development.
This single effort, however positive, is a necessary first
step, but we must recognize the program alone won't solve
America's energy problems. On the one hand, there are those



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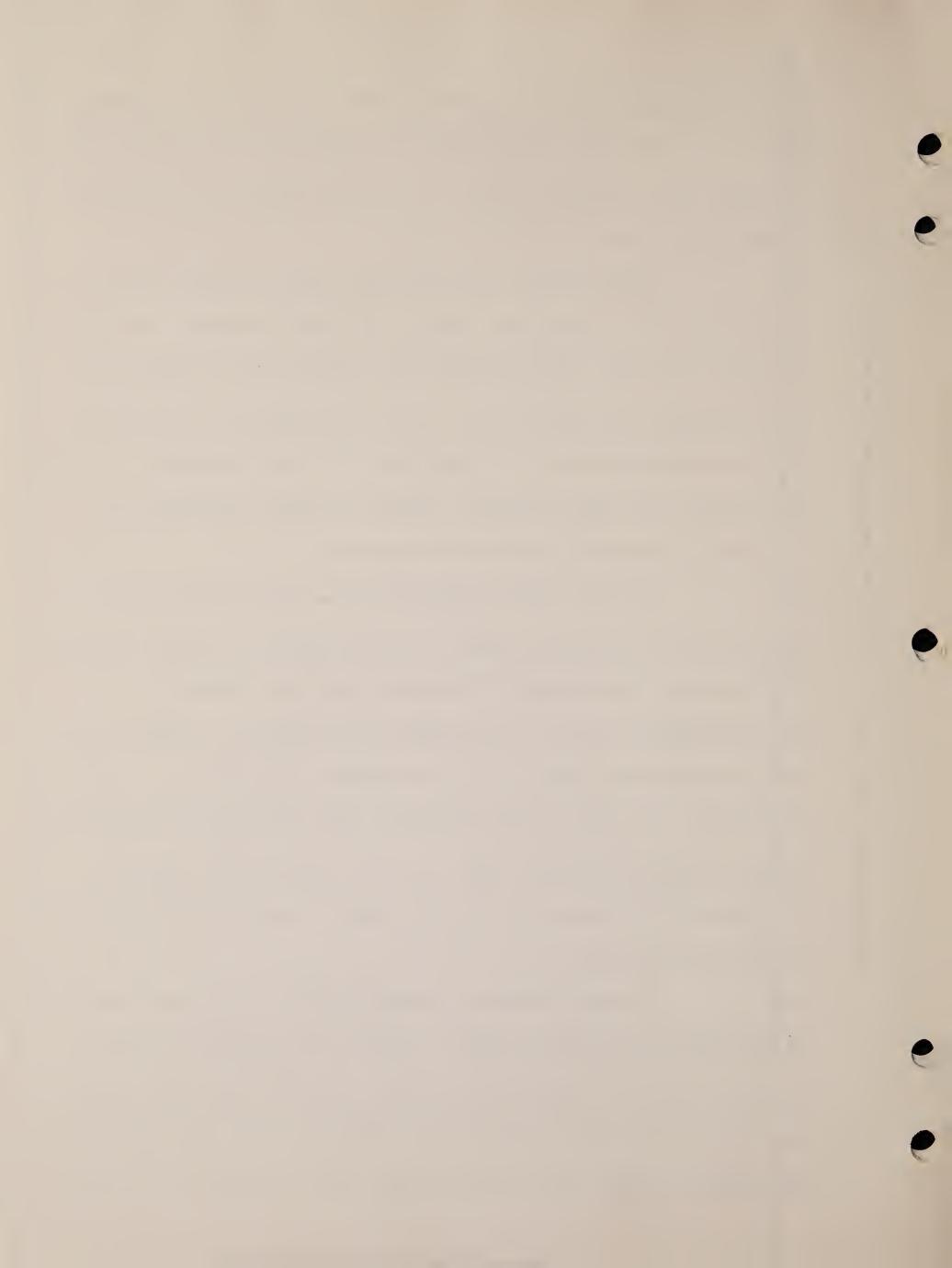
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in government trying to proceed with resource development, but, on the other hand, others in government are doing all they can to harass, stall or stop development with valiant assistance from environmentalists.

Never before has industry faced so many hurdles on the road to successfully supplying market demands. Punitive price controls, well-intended but disastrously restrictive environmental regulations, various jurisdictional disputes, and countless delays in court are but a few examples. Private industry is understandably unable to commit huge sums of money in today's confused environment.

If the United States and the free world are to maintain a healthy economy in future years, a broader and more deliberate expression of national policies favorable to investment in energy development is necessary. Domestic and non-communist supplies of conventional crude oil are dwindling rapidly. In fact, recent figures show free world consumption has reached 17,000,000,000 barrels a year, while new doscoveries are being made at the lesser rate of 15,000,000,000 barrels per year.

Simple arithmetic demonstrates the obvious nature of the energy supply problem and yet our political leaders have chosen to ignore the facts to lull the American public 24 linto a false sense of security. Yes, we have adequate energy supplies today, but at tremendous costs in both U.S. dollars

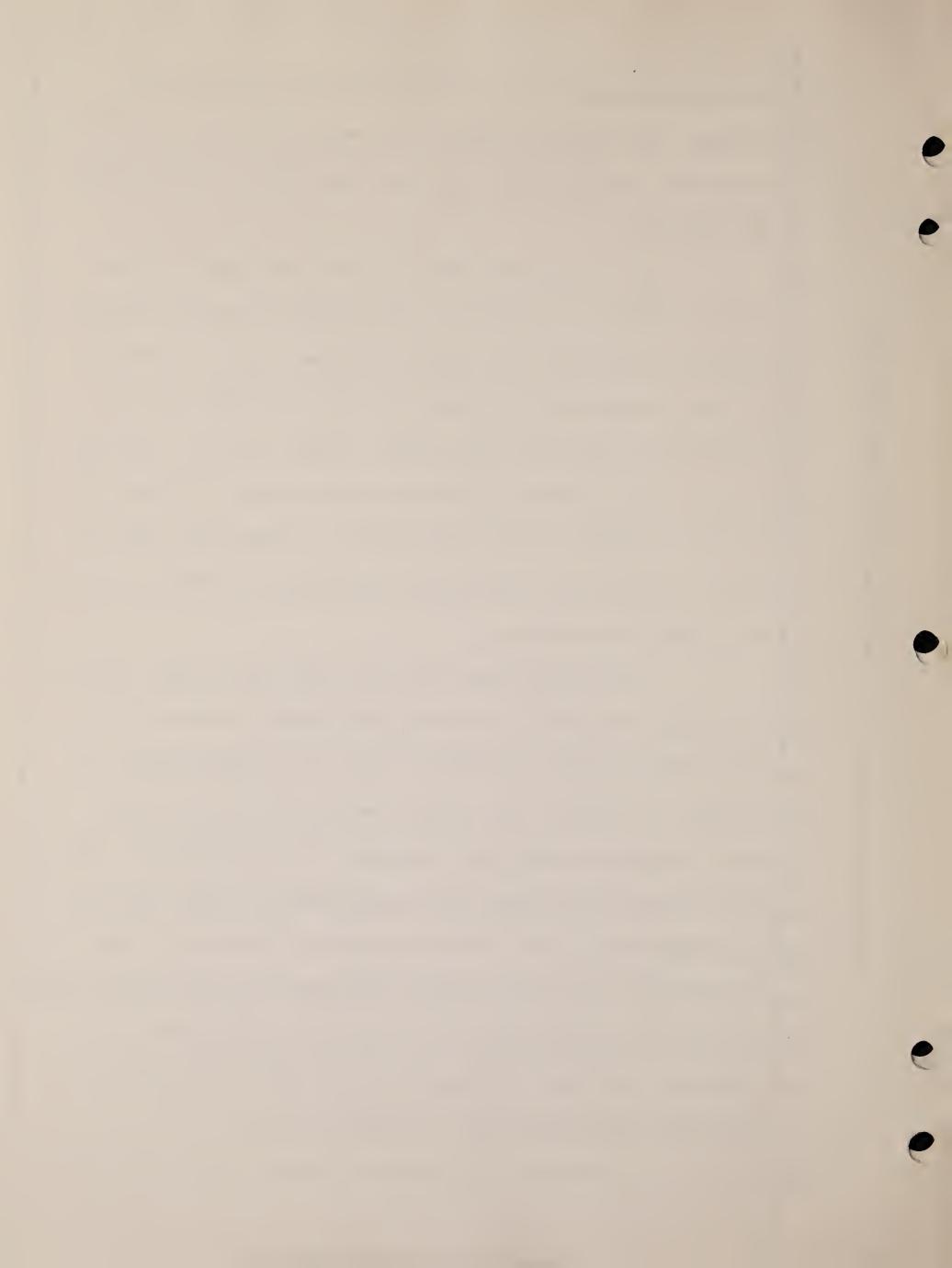


paid overseas and in U.S. dollars lost to the American economy. The sense of urgency has gone, and we have fulfilled the wildest dreams of those who wish to profit from our mistakes.

As I mentioned earlier, the Prototype Oil Shale
Leasing Program is a positive step toward realizing greater
supplies of energy from domestic sources. We are grateful
for your recognition of both the energy shortage and the
viability of oil shale as a future energy source. Our concern is for a renewed and strengthened effort to follow the
course of prudent energy development. We must not lose our
sense of urgency by joining the uninformed in feeling secured
for future generations.

The United States has 72.7 per cent of the world's oil shale resources or roughly 1000 billion barrels of recoverable oil shale according to the 1974 World Energy Conference. Of these, 600 billion barrels are in the Green River formation underlying Colorado, Utah and Wyoming. The United States government owns approximately 80 per cent of the formation, or 480 billion barrels of shale oil. The benefactors of private capital and expertise being appropriated for oil shale development must eventually be the American public in the form of adequate energy supplies as well as royalties and bonuses paid to public coffers.

In summary, we believe oil shale to be one of the



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best answers to America's energy problems. Your efforts to develop oil shale, along with those of the operators of the Rio Blanco Oil Shale Project, must not cease. I urge you to renew and strengthen your commitment to all shale development by treating the Detailed Development Plan in the same spirit in which it was developed and submitted, which is a reasoned, thoughtful approach to oil shale development. So long as you do not become alarmed by those using alarmist tactics, reasonable people can carefully and adequately provide a very positive response to the energy needs of future generations.

Thank you.

MR. RICHARDS: Thank you, Mr. Henderson.

Any questions or comments from the panel?

(No response.)

MR. RICHARDS: Thank you very much.

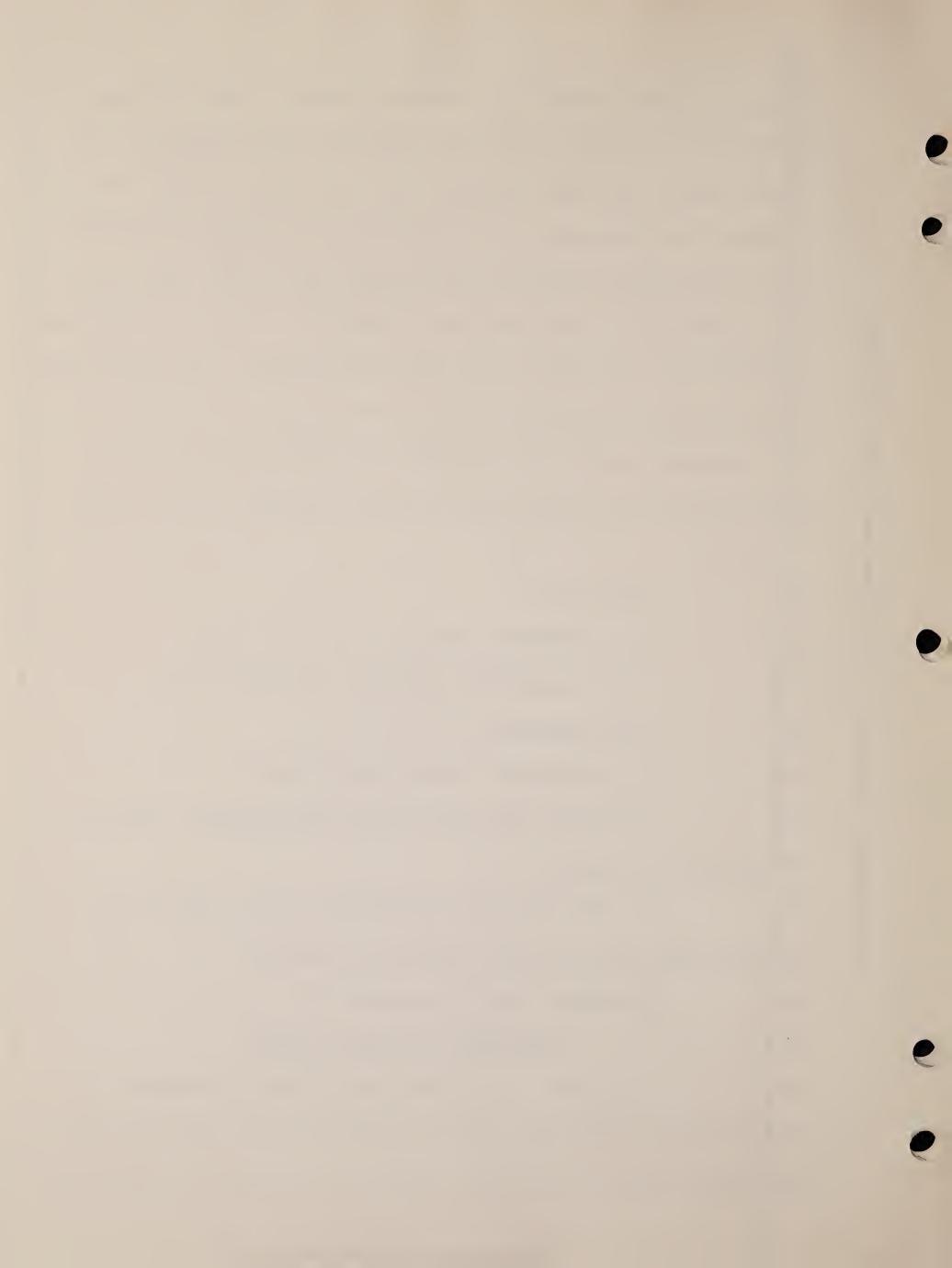
Mr. James Ross of Colorado Northwestern Community College in Rangely.

Mr. Ross, we are appreciative of the use of your facilities when we were recently in Rangely.

MR. ROSS: You're welcome.

STATEMENT OF JAMES H. ROSS

MR. ROSS: I am James Ross, Dean of Students, at Colorado Northwestern Community College and I am here today really filling in for Dr. Bos who was unable to be here due



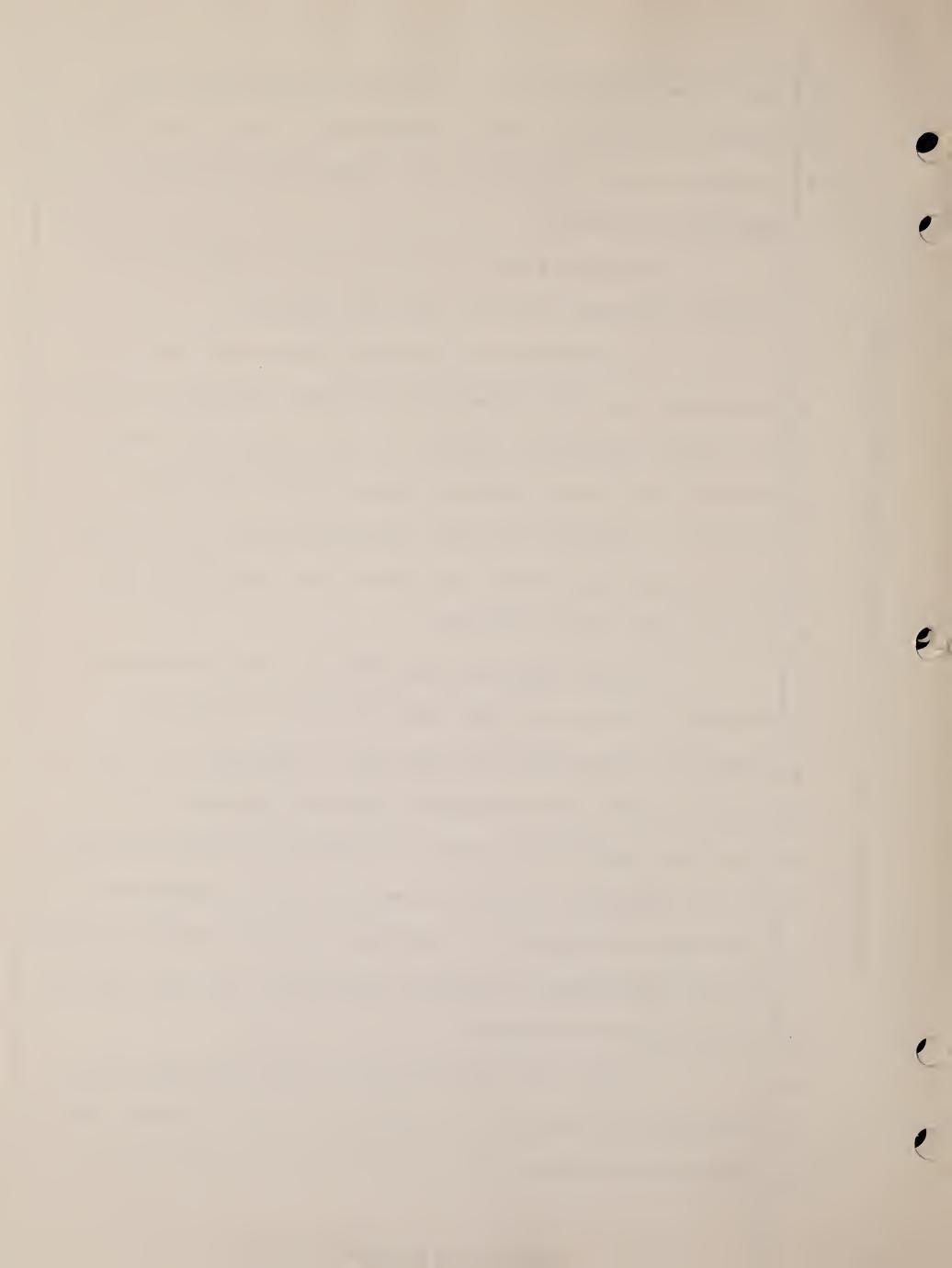
to a recent operation and I am really representing three different interests. The college would be one. I am also a member of the Rangely Planning Commission and also a resident of Rangely.

Speaking first for the college, I would like to read the statement that Dr. Bos had prepared.

Our Northwestern Community College has been charged by the State Commission on Higher Education to serve the higher educational needs of a five-county area which includes Rio Blanco, Moffat, Routt, Jackson and Grand Counties. We strive to offer quality programs in education and training for all who can profit from instruction and who have the desire to learn.

In the event and hope that oil shale development becomes a reality, we feel that Colorado Northwestern Community College has the resources to implement the resulted needed academic and vocational technical programs. If we may be an assistance or serve in a manner to meet the needs of the community or service area, we deem it appropriate to emphasize our support in activities that will further economic, social and cultural development associated with the community and the state of Colorad.

He has also instructed me to add any words that I would like to include. I would like to tell the panel that Colorado Northwestern Community College is currently in an



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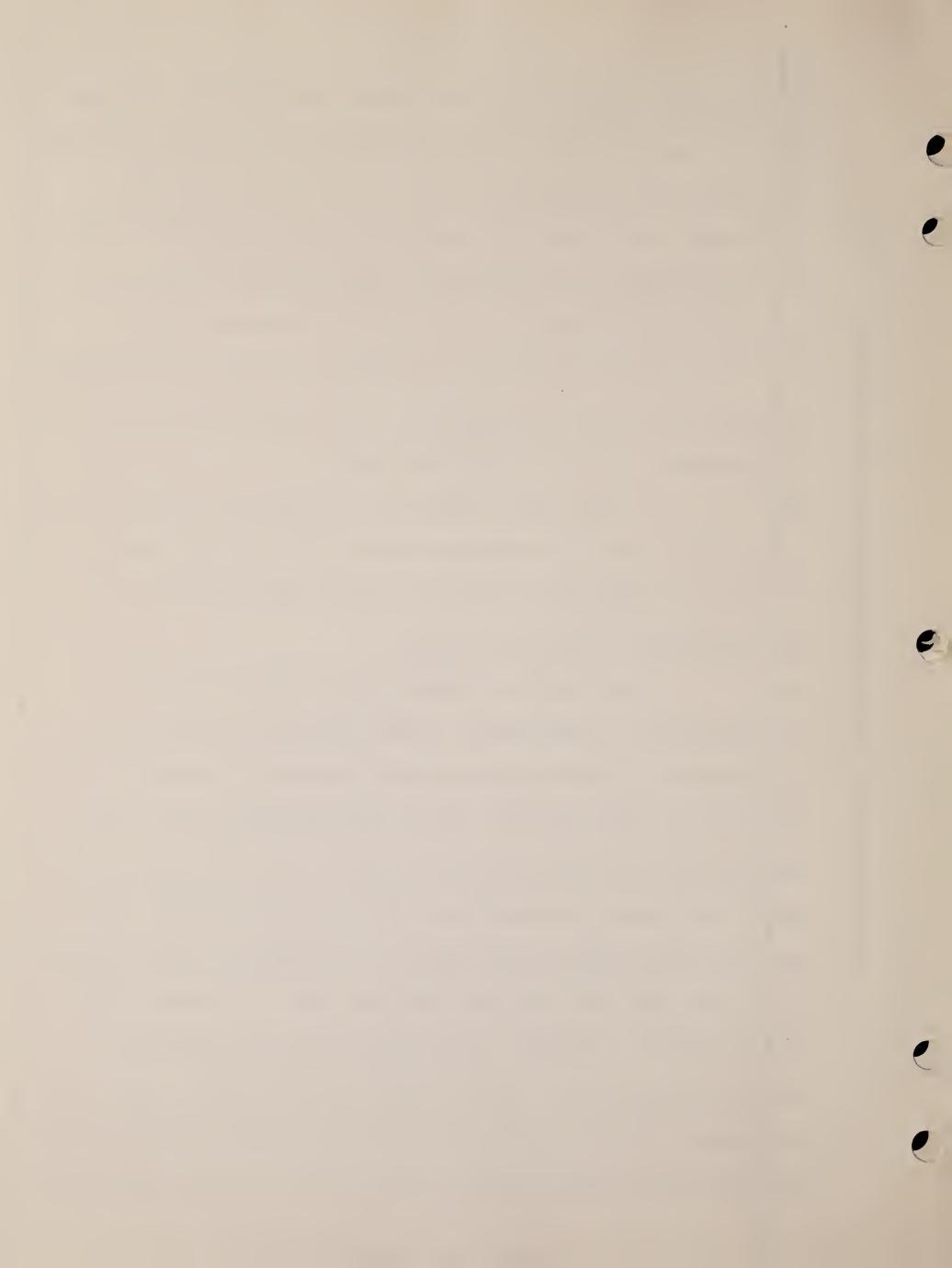
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1 expansion program with both programs and building. a new program which we are implementing this year in building 2 trades which is really a result of the impact not only on 3 Rangely but of the five-county area and the resultant needs 4 and demands of this community. The building is being con-5 structed this summer to house that new program. 6 program would be of great assistance in the event of develop-7 ment of oil shale providing the needed expertise and trained 8 personnel to help in that development. 9

I feel that I speak for the majority of the faculty in saying that we encourage and feel that the development of oil shale will have a positive effect upon the Colorado Northwestern Community College.

Commission, we have held a number of open meetings in the community in past months inviting interested parties to come and give their reaction to the development, to the master plan as it has been developed and, by far, the vast majority of the Rangely residents are very positive and very much in favor of oil shale development. As a matter of fact, I guess I would say that they are impatient for it to begin. And the town of Rangely is planning, as much as possible, a development of the water resources and the sewer, the school system and the recreational programs to anticipate the impact that may be coming to the Rangely area, not only the antici-



pation but also the hope that this will develop.

And then including as a citizen living in Rangely,

I would reaffirm that we feel and I feel that the development

of oil shale will have a very positive impact upon Rangely

and upon the surrounding area and I would hope that it would

proceed with all speed possible to be implemented and in
corporated in a responsible, orderly manner.

Thank you.

MR. RICHARDS: Thank you, Mr. Ross.

Are there any questions or comments from the panel?

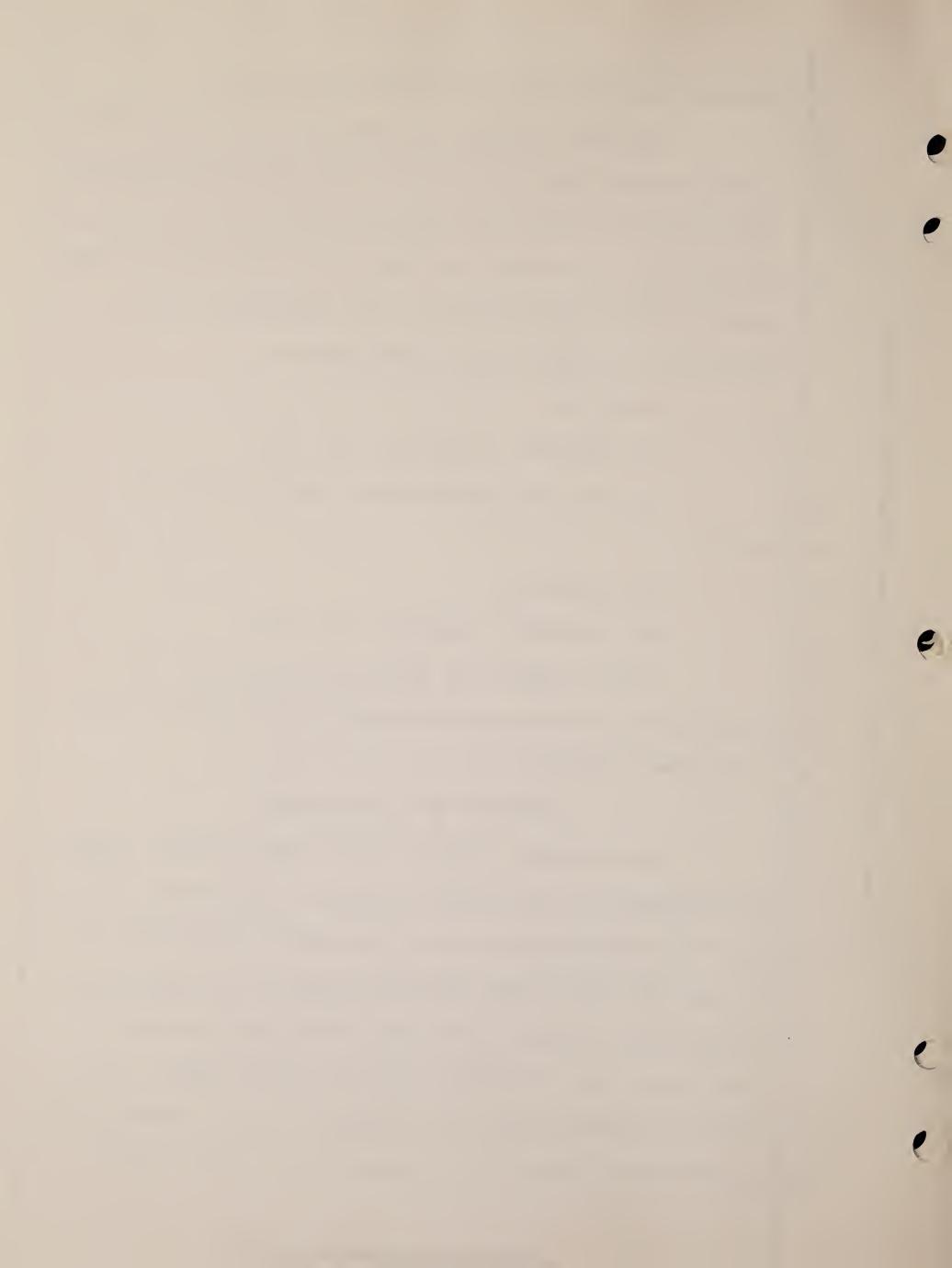
(No response.)

MR. RICHARDS: Thank you very much.

Next we have C. W. (Bill) Brennan of the Rio Blanco County, Chairman of the Board of County Commissioners of Rio Blanco County.

STATEMENT OF C. W. BRENNAN

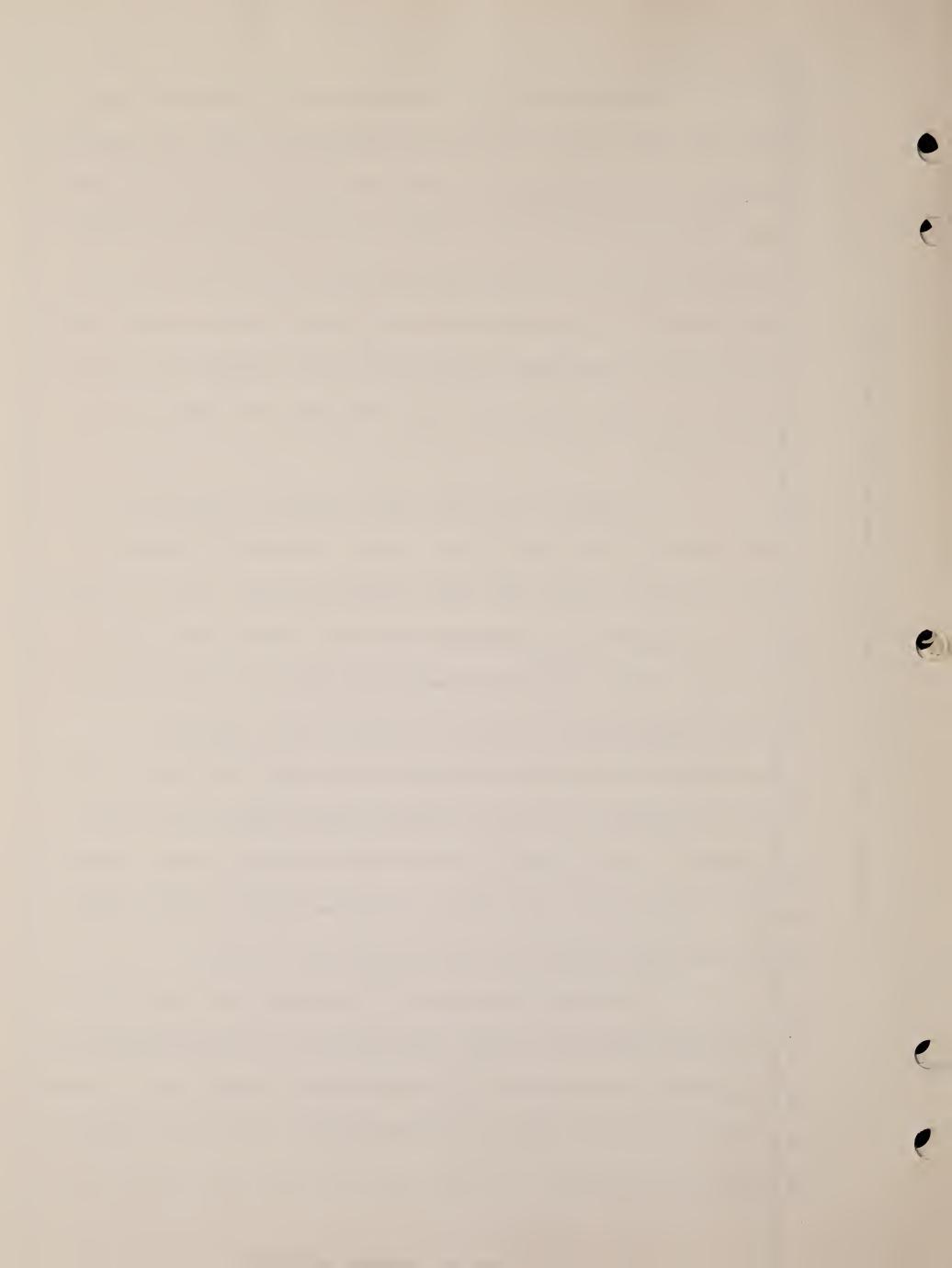
MR. BRENNAN: Members of the hearing panel, ladies and gentlemen, my name is Bill Brennan. I am chairman of the Board of County Commissioners of Rio Blanco County and for the past 30 years I have operated a ranch on Piceance Creek in Rio Blanco County. I have run cattle and livestock on both the C-a and C-b federal oil shale lease sites. I am here as a representative of the Board of County Commissioners of Rio Blanco County and the people of Rio Blanco County.



As I stated in my testimony at the hearing on the C-b oil shale lease site Detail Development Plan, my county's concern for maintaining a good quality of life in our county is well documented. We worked for and supported the designation of the Flat Tops Wilderness Area in the east end of our county. We have appeared many times before various state and federal committees concerning the development of our oil shale and coal resources. Over the years our position has not changed.

We believe in the proper use and development of the natural resources in our county. Just as we supported the creation of the Flat Tops Wilderness Area, we also support the development of prototype oil shale lease sites in our county. These lease sites were intended to be experimental. Their purpose was to find out if oil shale could be economically and safely developed to provide the energy needs of our country. We in Rio Blanco County need to know the answers to this question as much as the nation does. If we are to plan for proper growth and development in our county, we must know whether such an industry can exist.

While the government's intentions were good at the time the leases were sold, needless red tape and duplication, together with harassment by environmental groups for no other reason than they oppose any development, has led to needless delays and expense. If these policies continue, we will all

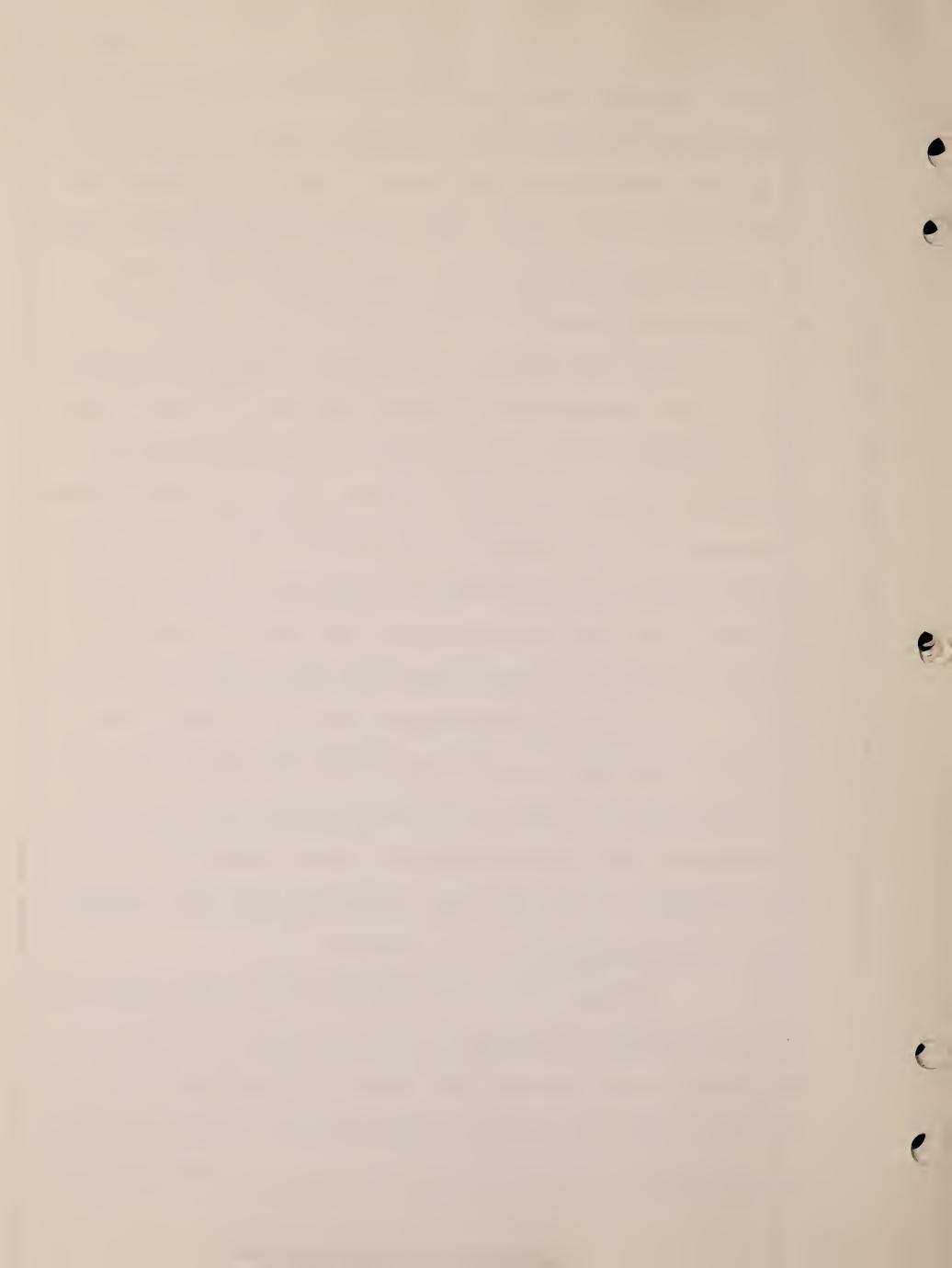


lose. We need the answers that can only be supplied by the development of these sites. Computer analysis, projections and wild guesses will never replace actual construction and production of oil shale. The only way anyone is really going to know the effects of an oil shale plant is by the construction and operation of one.

If the companies are willing to gamble their money, that they can economically produce oil shale and meet proper environmental standards, then we feel they should be permitted to go ahead and try. The two relatively small projects proposed for the Piceance Creek Basin are not of such a size as to destroy the environment of that area or of Rio Blanco County. We feel that the answers that will be gained from this development are well worth the small risks to be taken.

The Detailed Development Plan for federal lease site C-a has been reviewed by our planning staff. We feel that the main concerns of Rio Blanco County are adequately covered by the plan as submitted. Again, as with the C-b developers, we have had good cooperation from the developers of the site throughout their program.

Please, let me emphasize that we are not advocating the wide-open, unregulated development of the oil shale resources in the Piceance Creek Basin. As residents of the area we feel that we have a more legitimate concern for the environmental damage that could be caused by these sites than



some of the special interest groups who routinely appear to oppose any development. As a permittee, I personally feel the environmental impact of the ever increasing wild horse population could be more of a threat than a well managed revegetation plan of C-a. We believe that these lease sites are developed, their impact can be judged with facts rather than speculation. We need these facts and we need the answers.

And I might add, it isn't on this statement, but I might add that Rio Blanco County Commissioners are on record supporting the off-site piling of the shale.

I thank you.

MR. RICHARDS: Thank you, Mr. Brennan.

Any questions or comments from the panel?

(No response.)

MR. RICHARDS: Thank you very much for coming over.

Mr. Brad Klafehn.

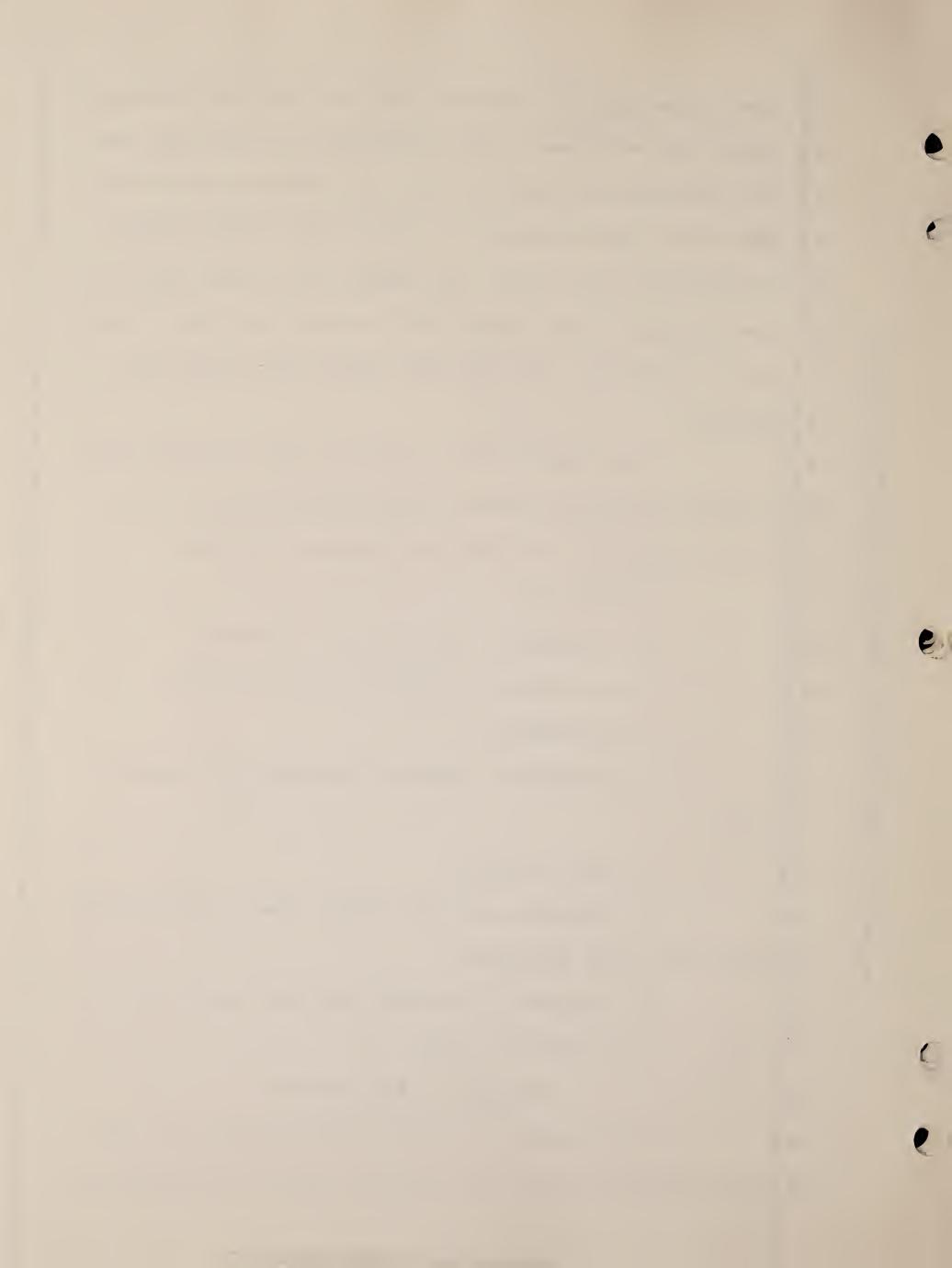
Mr. Klafehn, how close did. I come to pronouncing your name right this time?

MR. KLAFEHN: You came right the second time.

MR. RICHARDS: Good.

STATEMENT OF BRAD KLAFEHN

MR. KLAFEHN: My name is Brad Klafehn and I am testifying here today as a private citizen. My conclusion

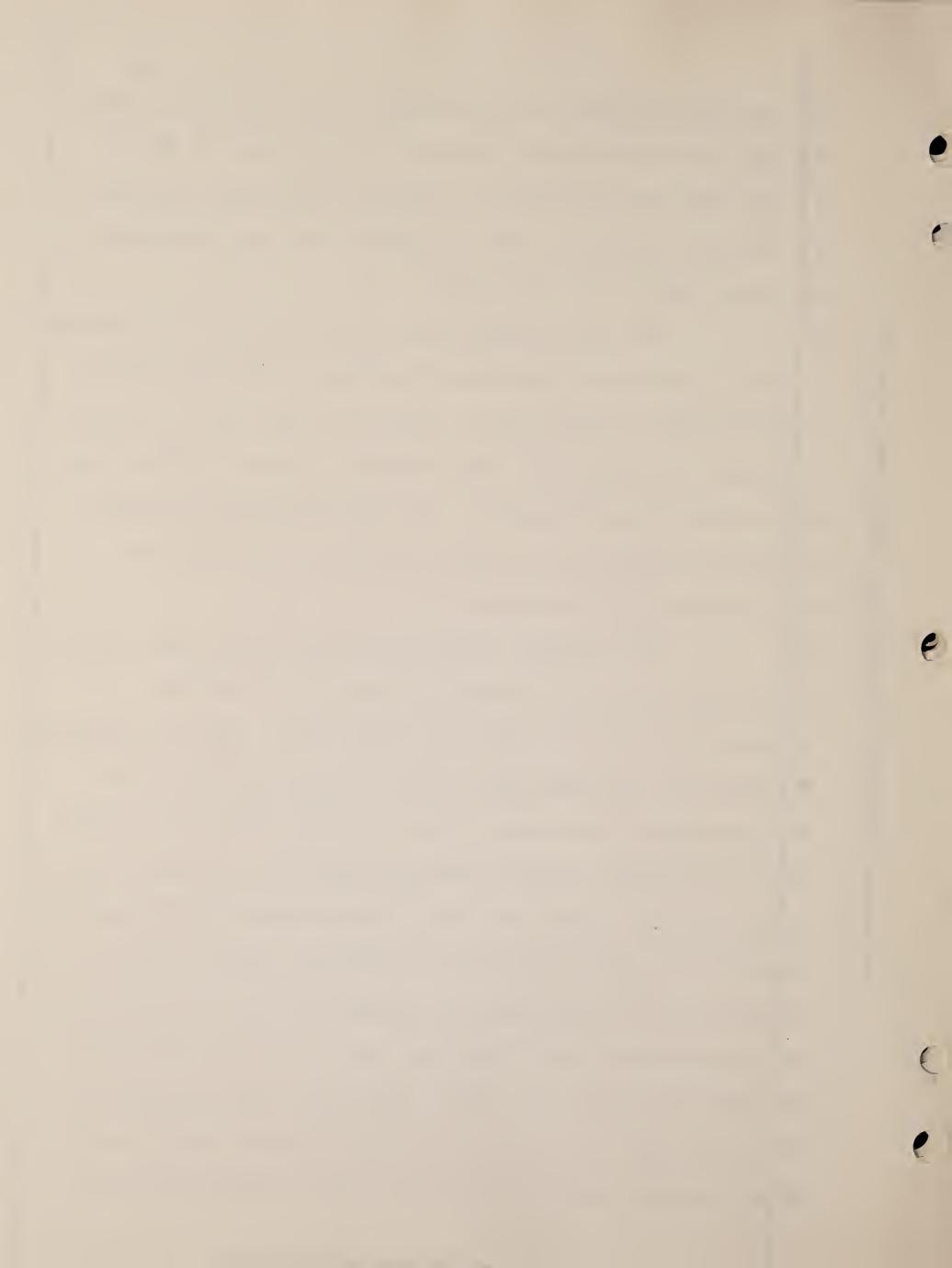


regarding this Detailed Development Plan, after having read both it and the OSEAP's comments, is that this Rio Blanco Oil Shale Project DDP is an extremely far-sighted document. In fact, it presents what is probably the most far-sighted mining plan I have ever seen.

One way in which this DDP expresses its far-sightedness is the time perspective from which it has been written.

Mining plans usually cover a period of five, ten, or twenty
years. Rio Blanco Oil Shale Project, however, suffers from
no such limited viewpoint. This DDP would have us believe
that they plan not in terms of decades but in terms of
generations and centuries.

For example, various maps found in the DDP, as well as: the description given of the size of the mine on Page 4-2-8, both indicate that by the end of Phase II operations, that is by the year 2015 or 2025, the open pit will cover approximately 750 acres. This is out of 5,000 acres granted to the lessees. This is about one-sixth of the entire tract. The lessees, though, are not so short-sighted as to plan only that far, some 39 years into the future. Rather, they assure us, in justifying the proposed off-tract location for the processing facilities, that the entire tract will eventually be mined, Page 5-2-1. And we are told elsewhere in the DDP that this process will take "several decades or a few hundred years", Page 2-2-9. This, I think all of us



would have to admit, is indeed long-range planning. But though it does go beyond the proper scope of this DDP and the Prototype Leasing Program by perhaps several hundred years, this long-range planning is not without its effect on the short-term plans presented here.

For example, this far-sighted planning for the future is the justification, one might add, the only justification found in the DDP, for placing both processing facilities and the spent shale itself off the C-a tract.

We are told that locating them on the currently leased land would interfere with the eventual total mining of the leased area, even though Rio Blanco acknowledges that this complete mining, dependent on a dramatic mark-up in scale from Phase II operations, is problematic at best and might never occur, and that even if it did occur, the mining of the entire tract would, in all likelihood, take several generations to reach completion.

Thus, all of the speculative talk in the DDP of eventualities beyond the Phase II limit, such as the need for the huge Yellow Creek Reservoir, and the supposed beneficiality of leaving open cuts on the south and east sides of the open pit, as well as all the planning details for the first two phases which are predicated on post-Phase II occurrences, such as justifying the need for off-tract lands on the eventual mining of the whole tract centuries in the future, should



This is what has happened with this DDP, a document which also exemplifies perfectly a second meaning of the word "far-sighted", namely a condition of the eye in which vision for distant objects is better than for near objects.

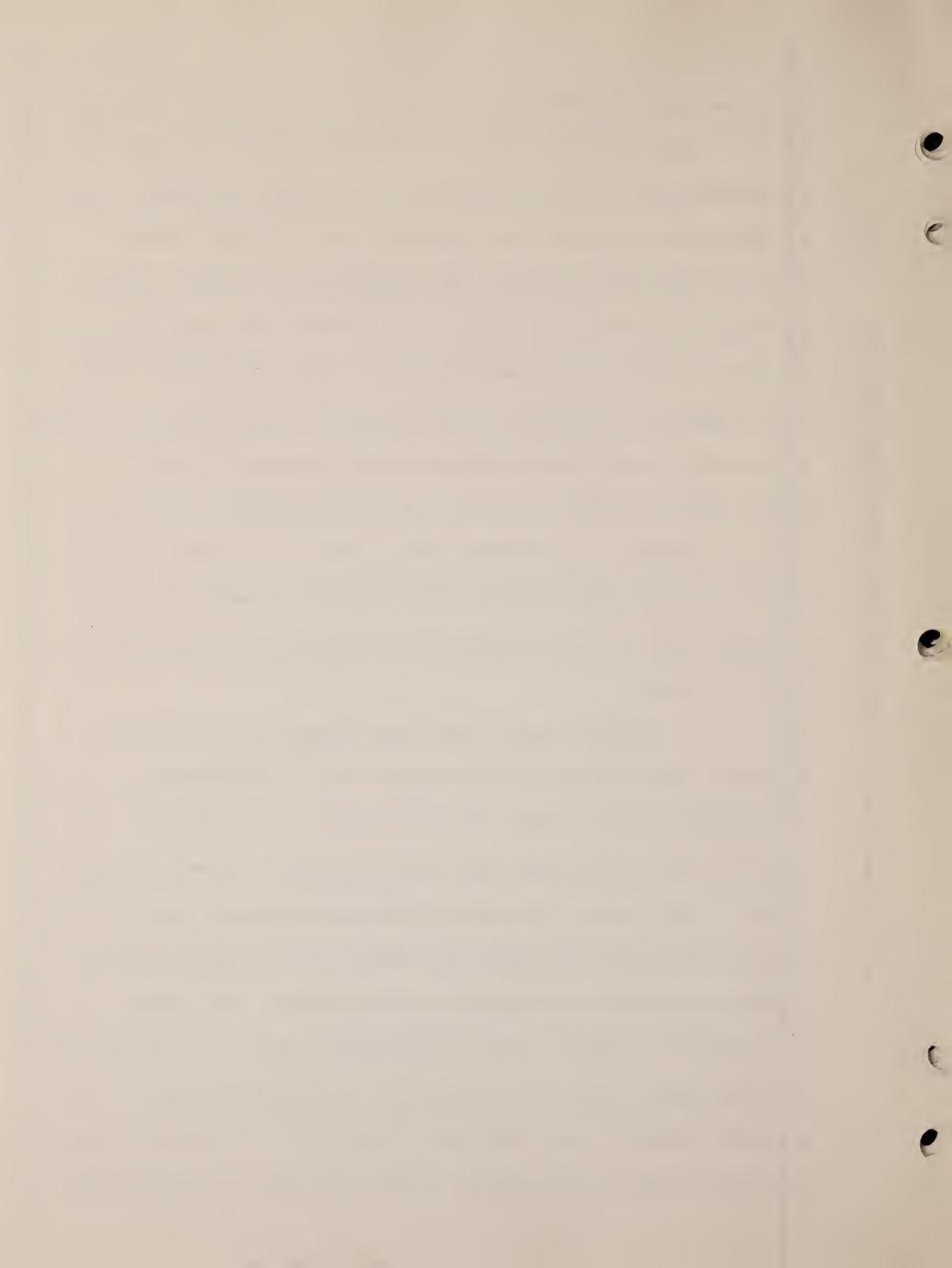
This DDP is, as I have said, extremely far-sighted, for how else could one describe an operation which bases its plan for the immediate future on circumstances obtaining 40 years down the road, circumstances which even the developers recognize to be extremely conjectural? Rio Blanco Oil Shale Project purports to be able to see things that far distant, yet its plan seems not to recognize the immediate facts, the near objects, of its situation.

One of these near facts, the magnitude of which it is easy to overlook when reading this DDP because of the extremely long perspective in which it is placed, is the projected size of the spent shale pile on 84 Mesa and the length of time it will take to complete it. The DDP states that backfilling of the open pit will not begin until 30 years of Phase II operations have elapsed. This seems reasonable enough when read in a document such as this one. The jargon pro-



tects one from understanding what it really says. But were we to stop and think about it and if we're to have life expectancy actuarial tables before us at this hearing, we could very easily predict that precious few of us now in this room will still be alive when Rio Blanco Oil Shale Project begins to backfill the pit. This means that, were operations on the tract to proceed according to the schedule set forth in this DDP, for the rest of our natural lives all of us would be able to see "from virtually every direction", Page 7-2-7, the pile of spent shale on 84 Mesa continually growing in size. Those of us who are now 30 years old would be 70 before we could see the completed pile standing in majesty, rising 1,000 feet above the surrounding landscape and extending for three miles.

This is one of the near objects which this plan ever manages to bring into sharp focus. There are many other examples of this which could be brought out here, but I will settle for emphasizing the most pertinent of them all, the law of the land. It hardly matters how accurate one's planning is for the long-term future if one cannot meet the laws which are in existence at this moment. Rio Blanco has focused so poorly on this vital subject that it is asking the Department of Interior to approve a mining plan which is patently illegal. The DDP freely admits that it cannot proceed with its plans until certain state and federal actions occur.

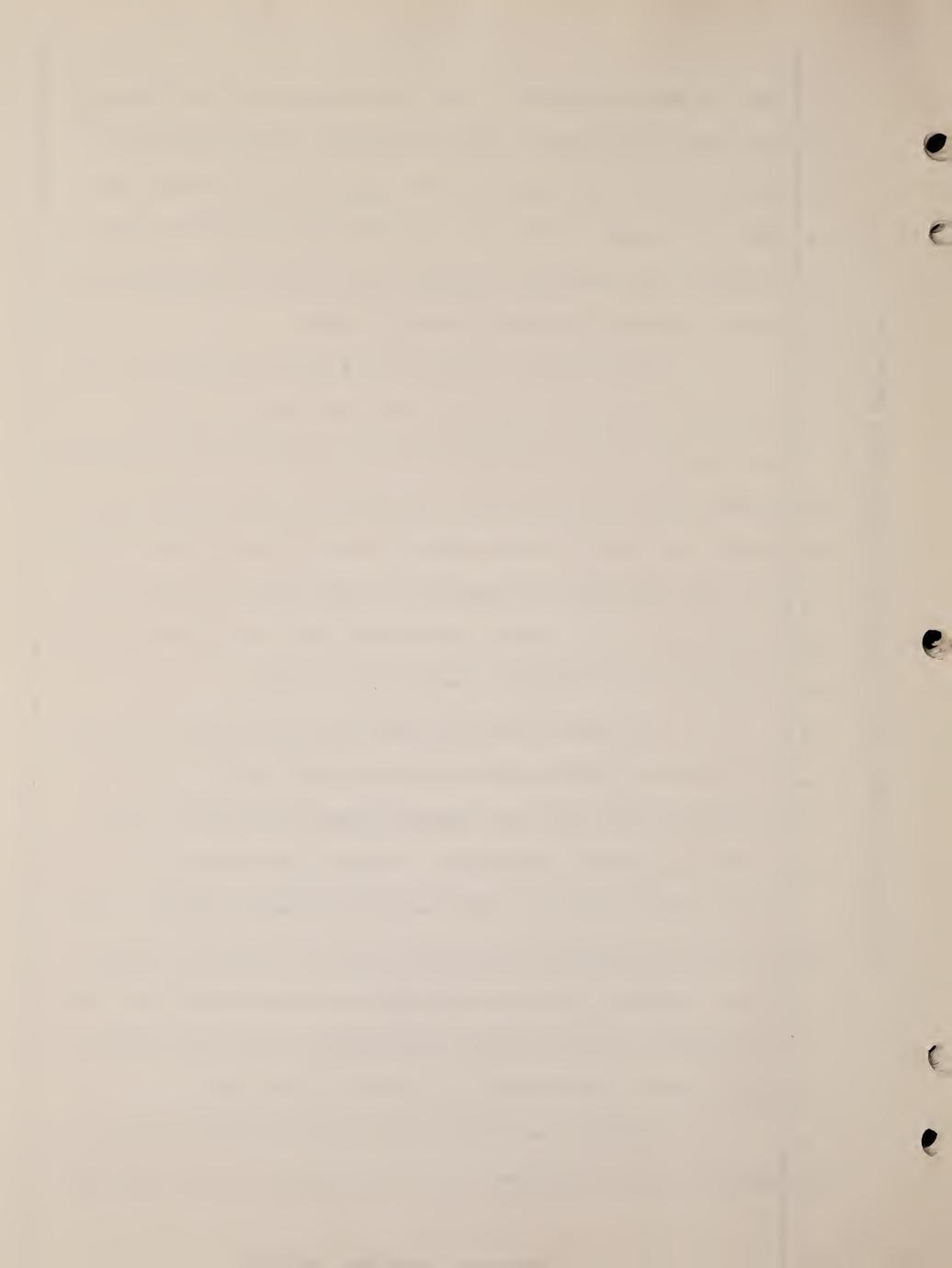


What it does not state is that the Department cannot approve the DDP in its present form until these actions have been taken and for the lessees or the Department to assume that this will happen within the six-month time period in which Interior has promised a decision on this DDP is nothing more than a totally unrealistic leap of faith.

Very briefly, there is no statutory authority, as both the lessees and the Department are aware, for the leaseholders to be granted additional lands off the currently leased tract for processing activities or spent shale disposal. Yet use of these lands is what the entire DDP is based on. The Department of Interior is thus placed in the position of having to either reject this DDP or be a party to the violation of the Mineral Leasing Act of 1920.

Rio Blanco Oil Shale Project is that modeling of projected emissions shows that the proposed operations would violate state air quality regulations. Rather than changing its design plans, however, Rio Blanco has opted to depend on the state to reclassify the Piceance Basin air quality designation. This is a piece of optimism which may be hard to substantiate in the real world, especially in the time frame in which Interior must make its judgment of the DDP.

Substantive comments have been received by the Area Oil Shale Supervisor from OSEAP members on the adequacy



of environmental descriptions found in the DDP. While this is an important area of concern, the first priority of the Department must be to judge the legality of the proposed development plan. For one I certainly hope that the Department does not prove itself to be as far-sighted and as unobservant of the realities of the current situation as is the Rio Blanco Oil Shale Project. Trying to stick one's head in the sand will not make these legal difficulties go away, rather it will only expose the other end to attack.

This DDP is an extreme example of a mining plan which must be rejected. The Department of Interior must do so and must send the companies back to the drawing board to come up with a project plan which conforms to the law.

Thank you.

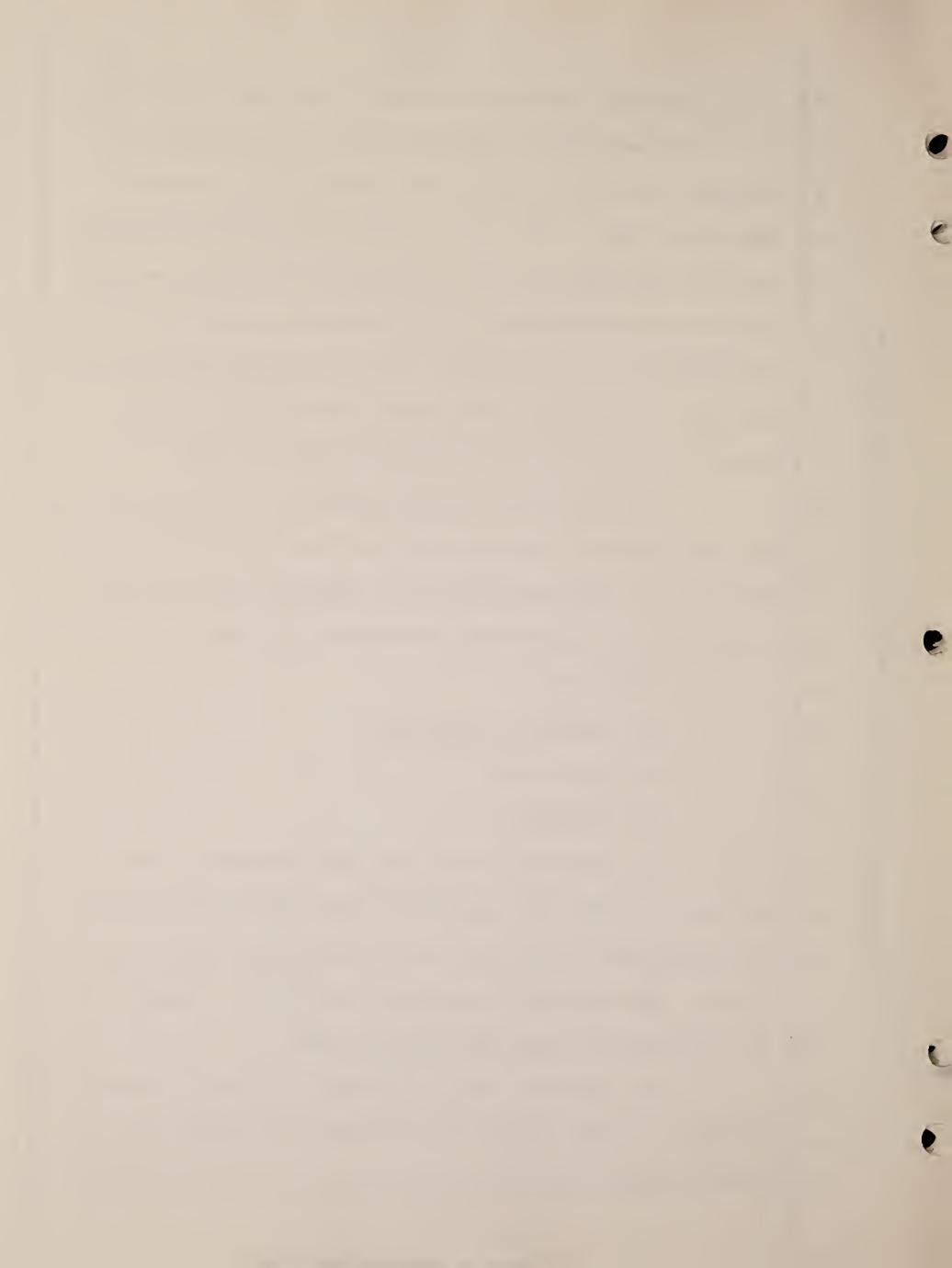
MR. RICHARDS: Thank you.

Any questions?

Mr. Rutledge.

MR. RUTLEDGE: Yes, Brad, you brought up that, I believe you said, that approval of this particular development plan would be in violation of the Mineral Leasing Act of 1920. But you didn't elaborate as to why. I wonder if you would give us some specifics on that.

MR. KLAFEHN: Well, of course, I'm not a lawyer, but since the DDP itself is predicated, the entire plan is based on having the use of the off-site lands for building



processing facilities and spent shale disposal, it seems to, you know, the ruling of the current DDP, the Department would be saying to the lease holders that in their judgment it is fine and proper to go ahead with that, the use of that off-tract lands. Now, as I say, it occurs to me that possibly, you know, that lessees would be liable, too, but certainly the Department of the Interior is very much aware of the opinion of its own solicitors office as stated and the DDP even quotes it back on Page 2-1-14 that there is currently no statutory authority for the use of off-tract lands.

Does that answer your question?

MR. RUTLEDGE: Not really, Brad.

MR. KLAFEHN: Well, I wish I could be more helpful.

MR. RUTLEDGE: Yes, I was looking for something specific in the Mineral Leasing Act. We discussed a little bit about that before this question, the problem of that.

But thank you for your help.

MR. KLAFEHN: Well, as I understand it, I'm not sure if it's the lease or if it's the final impact statement and plus all of the case laws certainly would restrict the lessees to the land they've leased. Certainly it was the intent of Congress in passing the Mineral. Leasing Act that all the operations going on with leases granted under it would be conducted on the leased area itself. And that, of course, is the rationale for having the bill on the Senate now to approve



the off-tract land use.

MR. RUTLEDGE: Thank you.

MR. RICHARDS: I note that like me you wear glasses.

Are you far-sighted or near-sighted?

MR. KLAFEHN: Sir, I am near-sighted.

MR. RICHARDS: How fortunate for you.

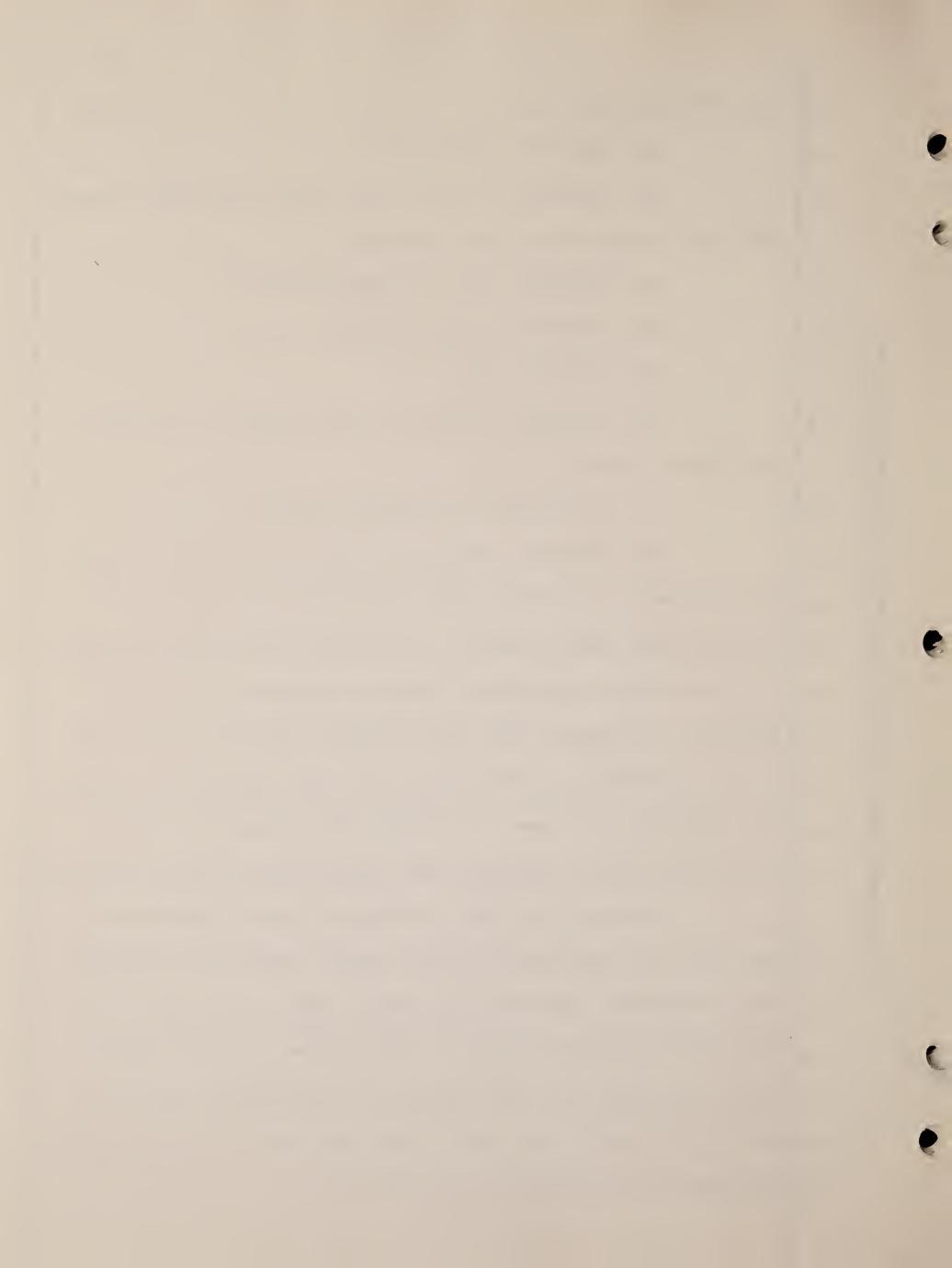
MR. KLAFEHN: Yes.

MR. RICHARDS: Carolyn Johnson with the Colorado Open Space Council.

STATEMENT OF CAROLYN JOHNSON

MS. JOHNSON: Members of the hearing panel, ladies and gentlemen, I am here today presenting the views of the Colorado Open Space Council, a statewide coordinating council of environmental and public interest organizations, on the Detailed Development Plan for oil shale tract C-a, submitted to the Department of Interior by Gulf and Standard of Indiana Oil Companies. My name is Carolyn Ruth Johnson and I am chairperson of the Colorado Open Space Council Mining Workshop.

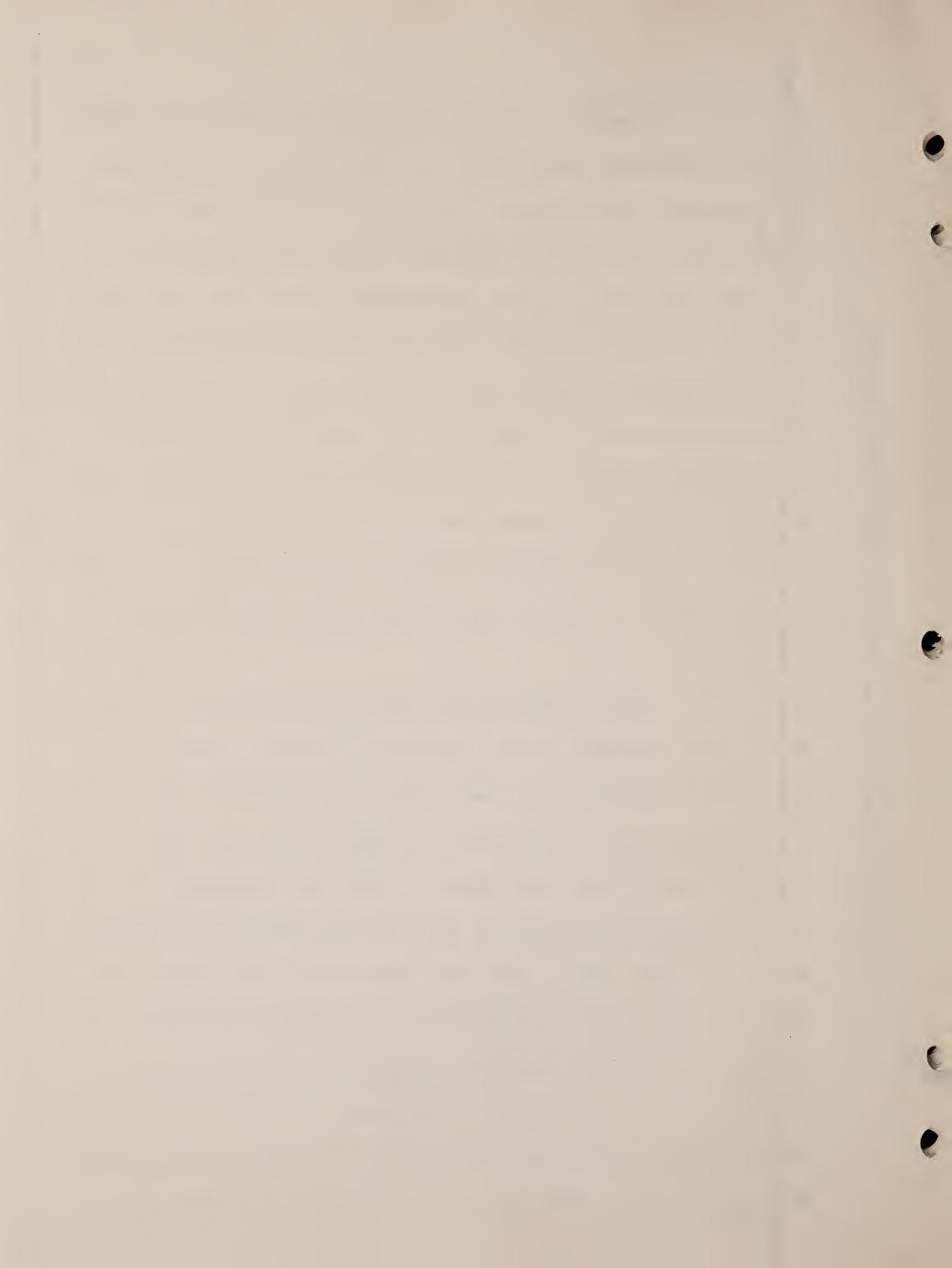
When the oil shale prototype leasing program was approved, the Department placed a major emphasis on the DDP preparation and approval as a stage that was crucial to the Department's administration of the program, to the lessees' compliance with the lease terms and stipulations and local, state and federal laws, and to the Department's duty to inform the public and respond to its concerns.



However, this DDP is patently illegal and should be disapproved immediately. In view of the overwhelming illegality of this plan, it is the only issue which should be addressed at these hearings. Should the lessees at a later time submit to the Department a legal plan, we would urge, and indeed expect, the Department to have hearings on the substance of that plan. At that time we would also expect the Department to comply with the National Environmental Policy Act which requires that an Environmental Impact Statement be written on major actions of the federal government that would significantly affect the environment. A decision on whether to approve such a legal DDP would be a major action.

Now, turning to the DDP's illegalities, central to the DDP submitted by the lessees is the use of additional federal lands off the lease tract, 640 acres for processing facilities and 3,650 acres for dumping the shale tailings.

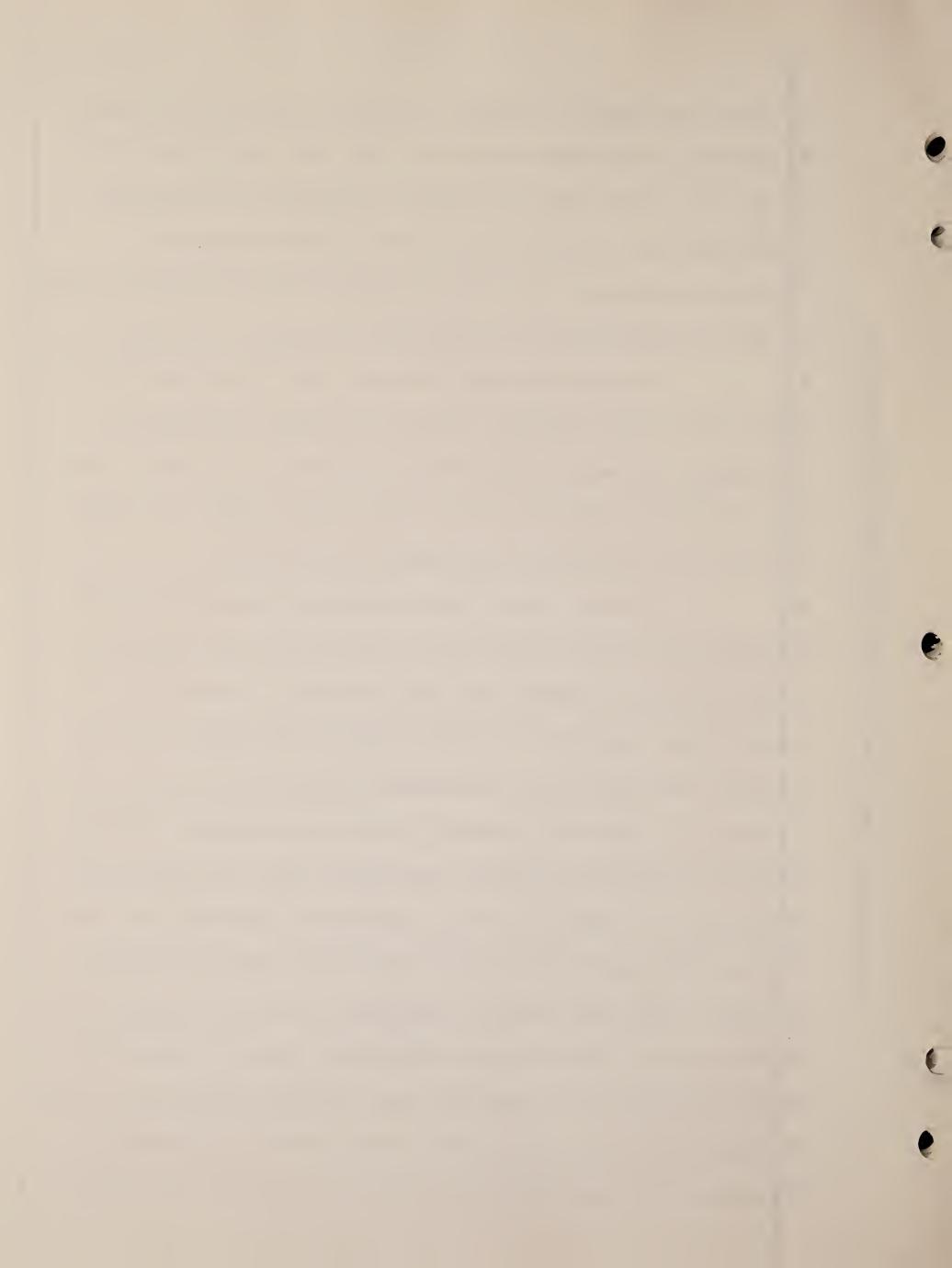
No detailed plans for locating these key components on the lease tract are presented as any intentions of the lessees. Yet, the DDP admits that the lessees are fully aware that the Solicitor of the Department of Interior has determined that the Mineral Leasing Act does not give the Department the authority to permit use of these additional federal lands for these activities, Page 2-1-14. According to the Mineral Leasing Act of 1920, the lands within an oil shale lease in-



clude such lands that might be used for extraction and reduction of the leased minerals. Thus, the central thesis of the four volume DDP is a blatant violation of the Mineral Leasing Act, the entire plan rests on that assumption and no development plan can be written without focusing on the two key components, processing and disposal of tailings.

We are extremely concerned about this thesis of the DDP for two reasons. First, it violates the Mineral Leasing Act, and the DDP itself, because it is based on such a violation, violates the oil shale lease, which was issued under the authority of the Mineral Leasing Act.

Second, use of these additional lands would almost double the amount of land that would be severely impacted by the mining, processing and waste disposal. We think it is critically important to achieve one of the goals of the program, "to ensure the environmental integrity of the affected areas...", Page III, Volume 1, Final Environmental Statement, that the disturbed land in the area be kept to an absolute minimum. We think that it is critically important that the disturbed land in the area be kept to an absolute minimum, that is the tract itself. According to material prepared by the lessees, tract C-a is sufficiently large to accommodate the operation of an open pit mine yielding 50,000 barrels per day of shale oil for 30 years, which would be an adequate test of the commercial viability of a potential oil shale



industry, as the prototype programs were designed to achieve.

On the environmental regulations, Sections 10 and 11 of the oil shale lease are explicit in their requirements of the lessees in regard to environmental regulations: "The Detailed Development Plan shall include (2) a detailed description pursuant to 30 CFR Part 231 and 43 CFR Part 23 of procedures to be followed to assure that the development plan, and lease operations thereunder, will meet and conform to the environmental criteria and controls incorporated in the lease (10).

And Section 11 spells out, "The lessee shall conduct: all operations under this lease in compliance with all applicable federal, state and local water pollution control, water quality, air pollution control, air quality, noise control, and land reclamation statutes, regulations, and standards." (11)(a).

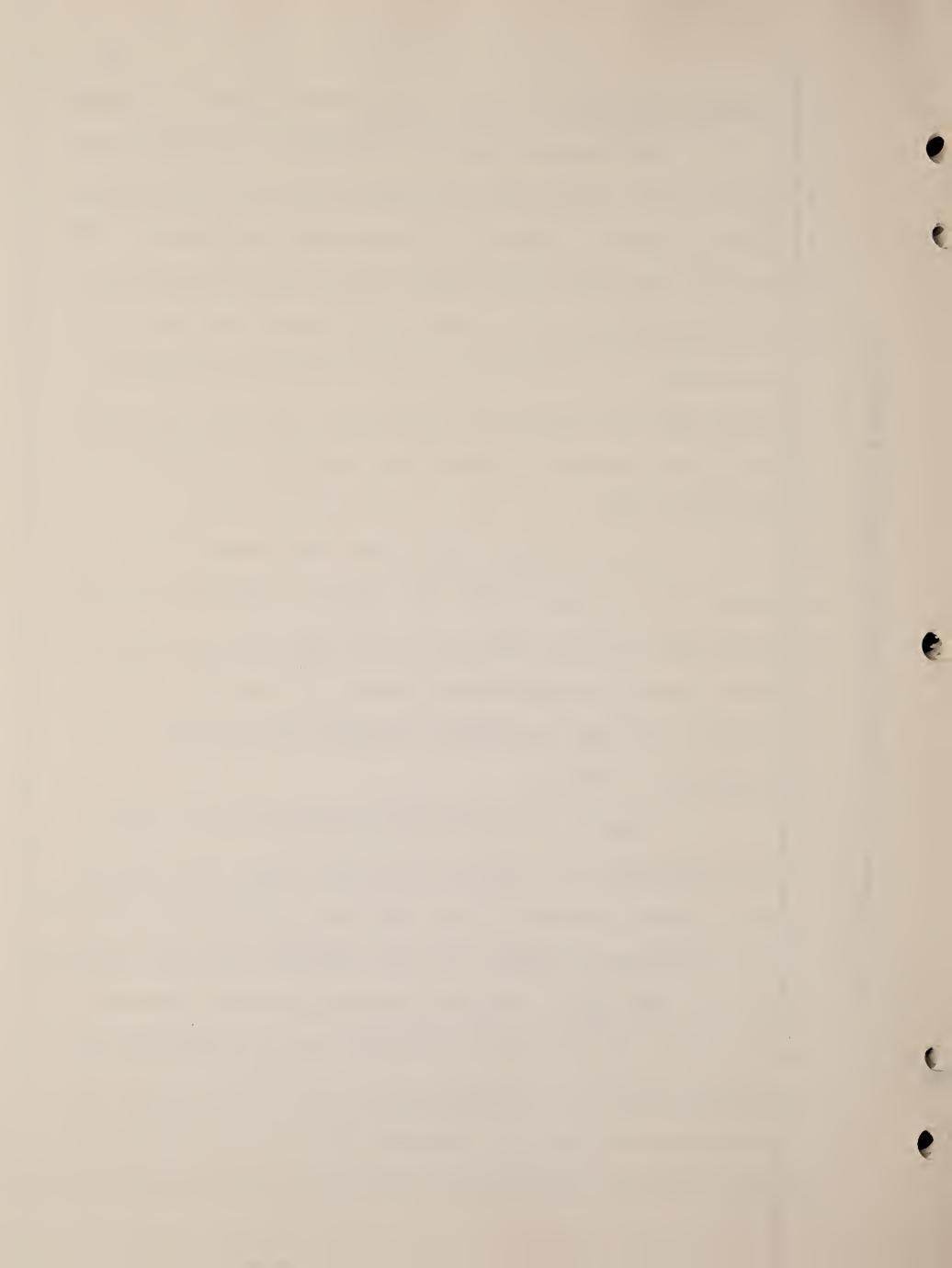
However, the development planned by the lessees will apparently not satisfy these basic lease requirements.

For example, the DDP is frank and succinct about the inability of the lessees to comply with air pollution laws and standards of both the federal government and the state of Colorado.

It states, Page 2-1-16, 17, "It will thus be impossible to develop Tract C-a in accordance with the Federal Clean Air

Act as now written. ... modeling indicates that Phase II

Rio Blanco Oil Shale Project operations will not meet Colorado's



current short-term embient SO, standards."

In conclusion, clearly the C-a lessees have submitted a DDP that does not comply with the lease requirements of a DDP, nor does it comply with the Mineral Leasing Act, under which the leasing program was authorized. The only alternative which the lessees present is, incredible in its presumptuousness, that the laws must be changed to accommodate their plans, their plans do not accommodate the law. (See, for example, 2-1-14, 2-1-17.) Therefore, the only valid and responsible course for the Department of Interior is to disapprove the DDP and require that a new one be written. If the Department were to approve this DDP, it will have done so in defiance of its own rules and regulations and in full knowledge that the Department's action openly invites legal attack.

Then I would like to append to my statement and personally hand to Mr. Rutledge a letter which I will now read.

Dear Mr. Rutledge: In the testimony I presented for the Colorado Open Space Council at the Denver public hearings on the C-b oil shale Detailed Development Plan held April 22 of this year, I formally requested a copy of the specific criteria on which the AOSS would base his decision to approve or reject Oil Shale Development Plans. To date I have received no response from your office in regard to this



request.

We would expect that you have formulated such criteria, guidelines and checklists in accordance with one of the four objectives of the prototype leasing program. I quote, "Develop management expertise in the leasing and supervision of oil shale development in order to provide the basis for future administrative procedures", FES, Volume 1, Page iii.

Your review of the C-b and C-a Detailed Development Plans is certainly the logical point at which to develope this management expertise.

Knowing your commitment to the objectives of the prototype leasing program, I would again like to request that a copy of the criteria, guidelines and checklists which you will use in reaching your decision on the DDP's be promptly sent to me."

MR. RICHARDS: Thank you.

Any questions?

MR. RUTLEDGE: I will personally deliver that to you and in much detail.

MS. JOHNSON: If the Department cannot deliver it in any other way, we would expect it to be the meal ticket, plus the motel ticket.

MR. RUTLEDGE: No, we would be glad to see you over there.



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MR. RICHARDS: Let's take about another five-minute break.and then we will finish up, I think.

(Short recess.)

MR: RICHARDS: On the record.

Seated at the witness table is Ms. Katherine

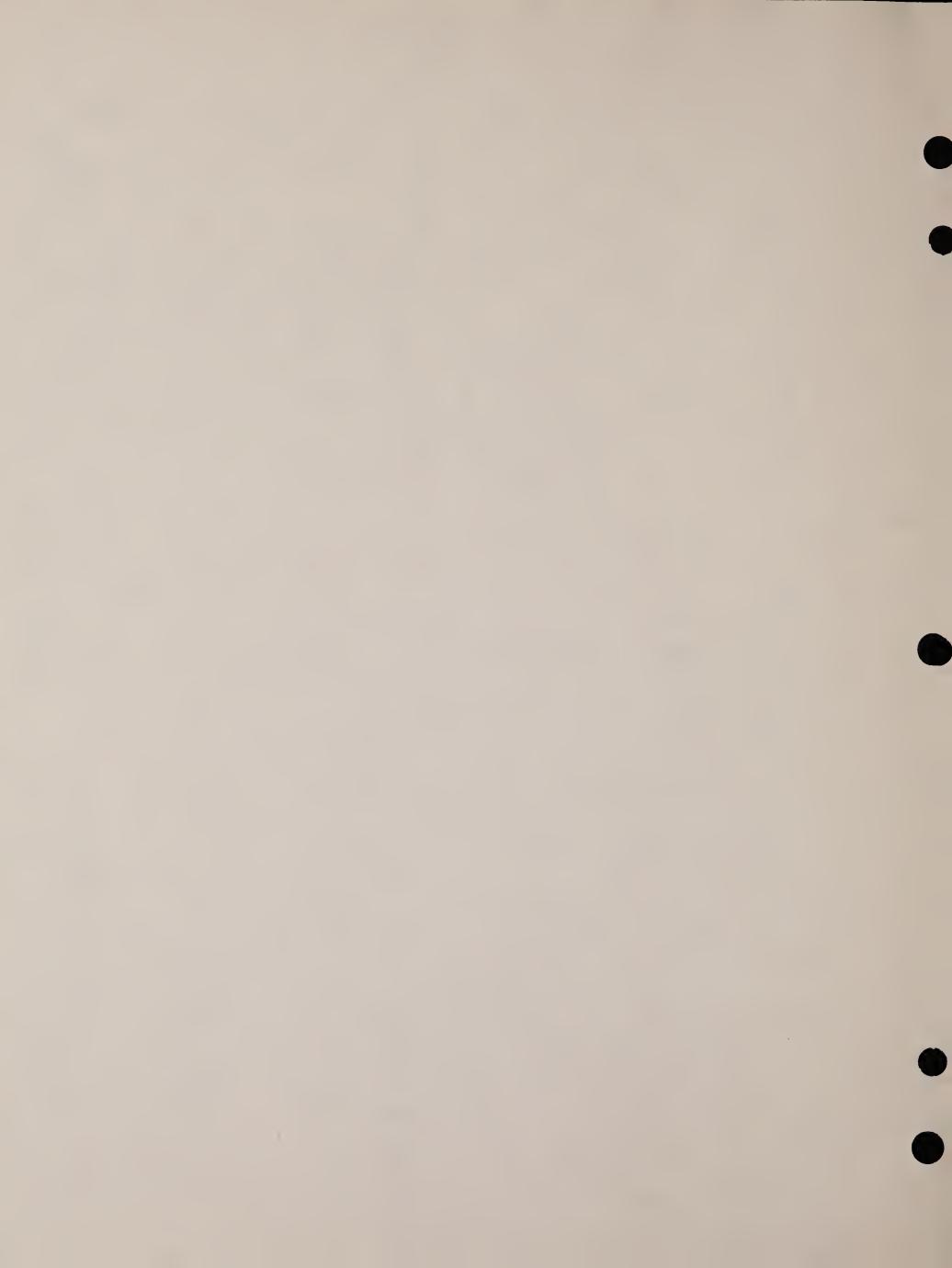
Fletcher and she is accompanied by Mr. David Mastbaum. They

are both from the Environmental Defense Fund.

STATEMENT OF KATHERINE FLETCHER and DAVID MASTBAUM MR. RICHARDS: Ms. Fletcher.

much the opportunity to present the views of the Environmental Defense Fund on the Detailed Development Plan presented to the Department of the Interior by Standard of Indiana and Gulf Oil Companies, the holders of federal oil shale lease C-a. I am Katherine Fletcher, staff scientist for Environmental Defense Fund's regional office here in Denver and with me today is David Mastbaum, Environmental Defense Fund staff attorney assigned to oil shale.

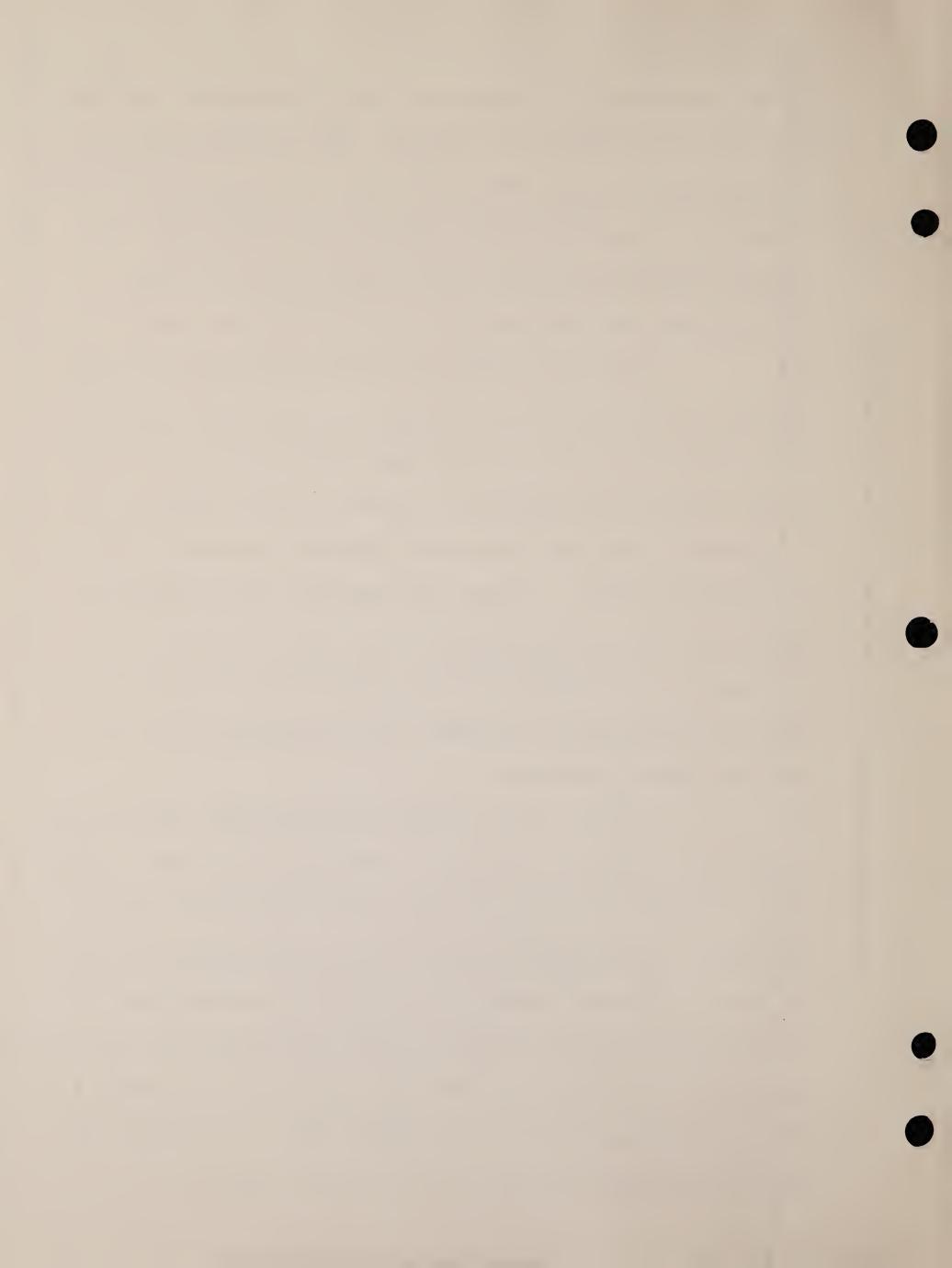
As the Department and the lessees are well aware, the proposed oil shale development plan, if implemented, would violate existing mining and environmental laws. In particular, the lessees do not have, nor can the Department of Interior give them, the right to utilize land in excess of the lease tract for the processing and disposal phases of the oil shale operation. This fact has repeatedly been brought



inception of the leasing program. And the Solicitor of the Department in early 1975, well before the preparation of this Detailed Development Plan, confirmed that additional legislation would be required if any of the oil shale lease operations were eventually to include off-tract lands.

as the fact that the lessees never had any formal commitment of additional lands from the Department, we are amazed that the lessees have proceeded to prepare a plan completely dependent on off-site waste shale disposal and even an off-site processing plant. Indeed, the additional lands assumed in the DDP cover almost as much surface area as the C-a lease itself. We are struck by this demonstration of intransigence and inflexibility on the part of the lessees in the face of clear legal restraints.

In our view, it would have been more constructive for the lessees to formulate a development plan which could be carried out within the scope of existing legal requirements. We are certain that they could have, especially on Tract C-a, which contains the richest and largest shale reserve of any of the federal tracts, apparently over 5,000,000,000 barrels of recoverable shale oil. Surely for the purposes of the prototype program a development plan in conformity with existing legal mandates could have been formulated.



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We were never under the impression that the prototype leasing program was designed to provide the lessees a
guarantee of a multi-hundred thousand barrel per day operation
for virtually an indefinite period of time. Naively, perhaps,
we thought that the prototype leasing program was intended to
provide a full-scale test of oil shale development, with an
eye toward determining whether the establishment of a fullscale industry was advisable. Yet C-a's justification for
wishing immediately to burst out from the boundaries of the
lease they bought and signed appears to be their plans for an
oil shale operation large enough to give anyone pause.

In many respects, this DDP is a lobbying document directed at pending federal legislation which would allow the granting of up to 6,400 additional acres to federal oil shale lessees. Unfortunately for Gulf and Standard, however, that legislation is at the present time virtually dead. Their motivation for proposing the DDP to the Department in its present form can only be that if the Department approves the plan, the lobbying position of the lessees will be enhanced when they go back to Washington next session and again try to persuade Congress to pass their bill. The Oil Shale Environmental Advisory Panel is also in an awkward position, being pushed to approve this illegal plan, knowing that this might help the Gulf and Standard lobbying efforts. We do not feel that the DDP is an appropriate vehicle for pushing legislation.



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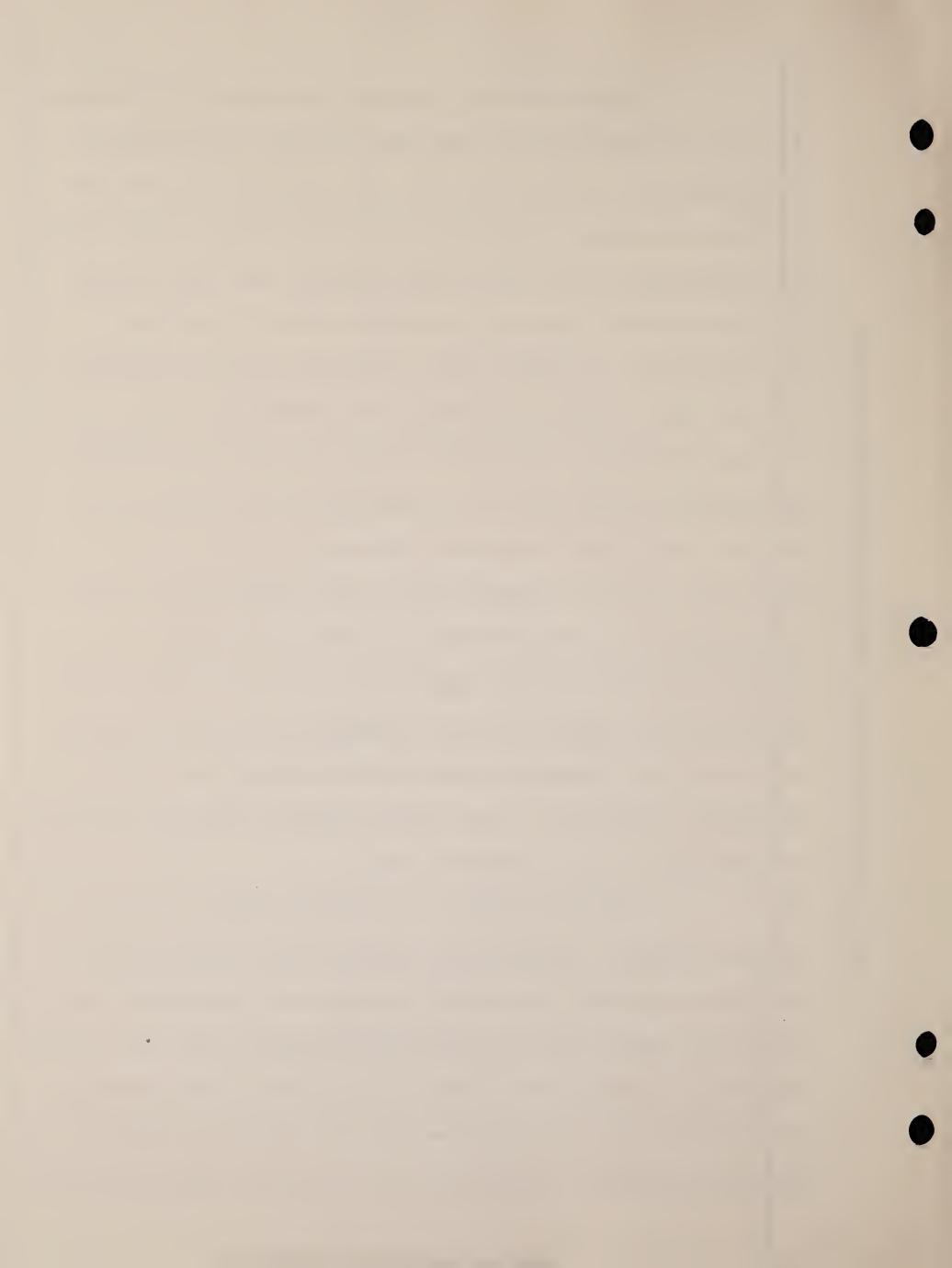
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The DDP contains numerous arguments by the lessees that the proposed shale dump area, 84 Mesa, and plantsite, immediately north of Tract C-a, are the best locations for these facilities. Although we find these arguments far from compelling, if true, they simply suggest that the original delineation of the tract boundaries, based on industry nominations, was poorly done. Apparently Gulf and Standard feel that an optimum prototype tract would have included as much of 84 Mesa, the proposed plant site, and the northwest corner of C-a as could by accommodated in the 5,120 acres allow able under the Mineral Leasing Act. The lessees in January of 1974 willingly and eagerly accepted the current boundaries when they bid \$210,000,000 for the lease. might therefore be more appropriate for them to ask the Department to redraw the tract consistent with current information on the supposedly more environmentally sound operational layout. Obviously, a very large prototype operation could be developed on such a redrawn tract.

The DDP is based on yet other assumed changes in existing laws. Of particular concern to us is the lessees! desire to weaken air quality standards and classifications. The DDP admits that the proposed development, even the initial modular stages, cannot comply with Colorado's SO₂ standard for that area. Particulates are also predicted to be a severe problem. In addition, EPA has stated (Comments May 14,



1976) that their calculations, at variance with the figures in the DDP, show violations even of EPA's Class II SO₂ standards, which are far weaker than the Colorado Class I standards in effect in that area at the present time.

The lessees freely admit that their plan cannot meet current or even proposed air quality laws. Quoting from the Detailed Development Plan, "It will thus be impossible to develop Tract C-a in accordance with the Federal Clean Air Act as now written. Amendments currently being considered by Congress will not solve the problem."

DDP, Volume I, Pages 2-1-16, 17.

As is clearly and repeatedly stated in the Environmental Impact Statement on the Prototype Leasing Program in the oil shale lease and in the DDP, the oil shale leasing program is based on a requirement that existing state and federal laws protecting environmental quality will be met.

This commitment on the part of the Department and the lessees has been the cornerstone of assurances that the anticipated environmental impacts of oil shale development will not be unacceptable.

Yet now we see the lessees insisting that laws be changed in order that this commitment can be met. We hope the Department does not share this cynical view of the assurances which have been made so frequently. In our view, to carry out a responsible oil shale program, it is the de-

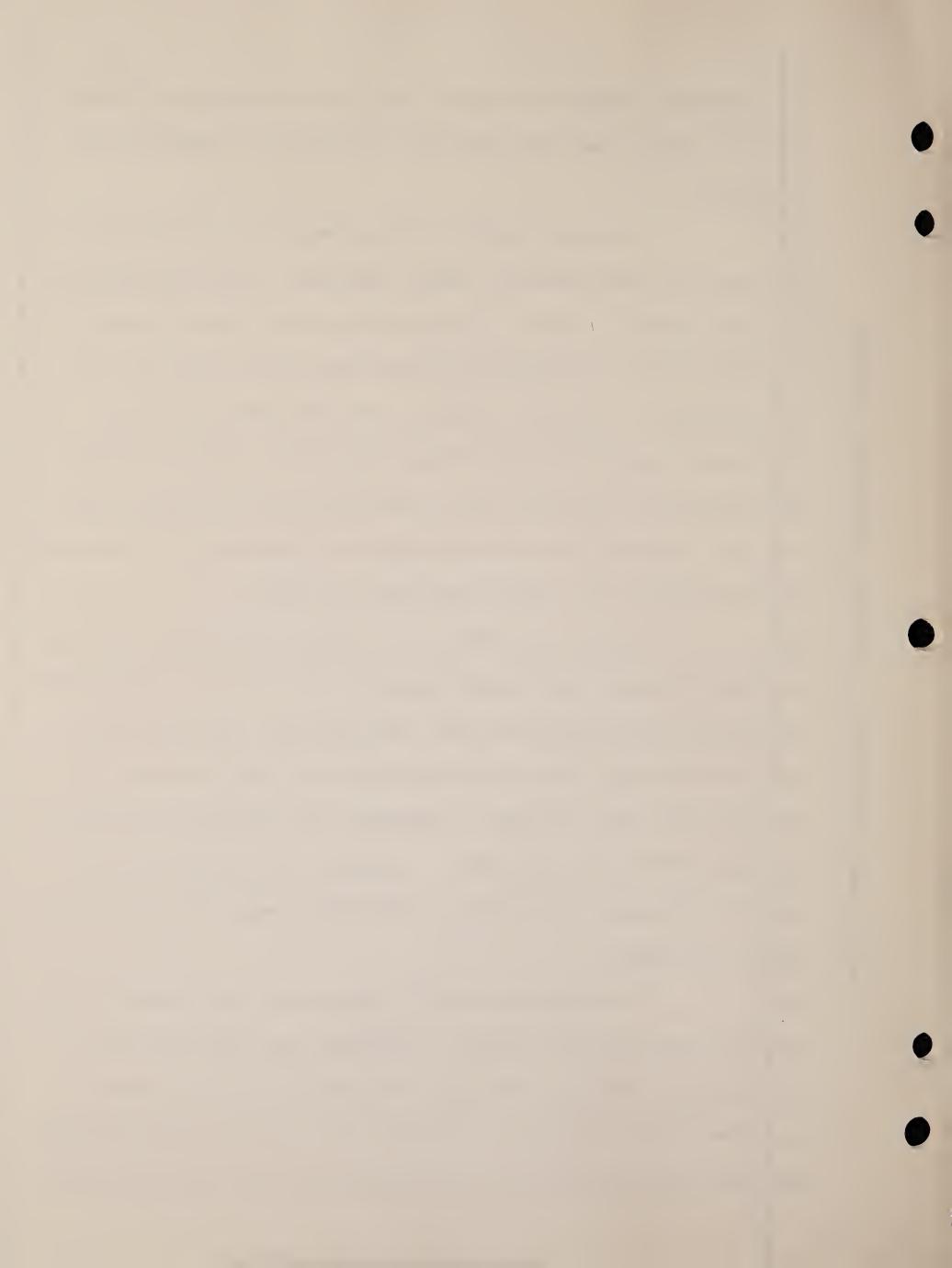


velopment plans which should come into conformance with the law, rather than the laws being weakened to accommodate the plans.

We again remind the Department of a statement in the final Environmental Impact Statement on the leasing program which it issued. "No operations will begin on any tract until a development program that fully meets all environmental criteria, controls and constraints has been finally approved by the mining supervisor, acting for the Secretary." We would just stress that the development program referred to in this statement is apparently the Detailed Development Plan under consideration today.

Lastly, we think it is highly questionable whether the Department can legally approve a DDP which if implemented would violate existing laws. As you know, not only was the DDP submitted early, allowing ample time for revision, but also the lease contains a procedure for rejection of inadequate DDP's, Section 10(a). In fact, the lessee is given three chances to formulate a DDP which meets the requirements of the lease.

Even more so than in the case of the C-b DDP, which also projected air quality violations, we think that the C-a plan, based on multiple inconsistencies with current laws, is of necessity a candidate for rejection under Section 10(a) of the lease. To act responsibly, and to avoid poten-



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tial litigation, the Department has no choice but to disapprove this Detailed Development Plan.

I might also add that the Environmental Defense

Fund, as stated many times in the past, also agrees with

other organizations' testimony today, that Environmental

Impact Statement would, of course, be required for the site

of the specific Detailed Development Plans.

Now, Mr. Mastbaum has a few comments to make on the questions raised by Mr. Rutledge earlier concerning the Mineral Leasing Act and the violations of this DDP.

MR. MASTBAUM: Mr. Rutledge raised a question concerning what section of the Mineral Leasing Act would be violated by approving off-site disposal as set forth in the DDP. I would like to refer him to the September 12, 1975, letter by Assistant Secretary Horton on the transmittal letter accompanying as 2-4-13, third, or fourth paragraph, excuse me, states that, "The Department presently has no statutory authority to grant to oil shale lessees additional lands outside of the leased area for disposal sites." Assistant Secretary Horton's statement was apparently based on Section 21 of the Mineral Leasing Act of 1920. prototype program was conceived and designed in the context of existing law which limits the acreage control by any one lessee to any 5,120 acres and I will now cite specifically 21, "No lease hereunder shall exceed 5,120 acres of land and not



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more than one lease shall be granted under this section to any one person, association or corporation. According to a law of the lands, such lands lease includes those that might be used for extraction of leased minerals."

MR. RICHARDS: Thank you.

Any questions or comments from the panel?

(No response.)

MR. RICHARDS: Thank you very much.

MS. FLETCHER: Thank you.

MR. MASTBAUM: Thank you.

MR. RICHARDS: We have next on the list V. Crane Wright.

Ms. Wright, it's nice to have you. I wasn't sure in what capacity you are appearing today so I left that off.

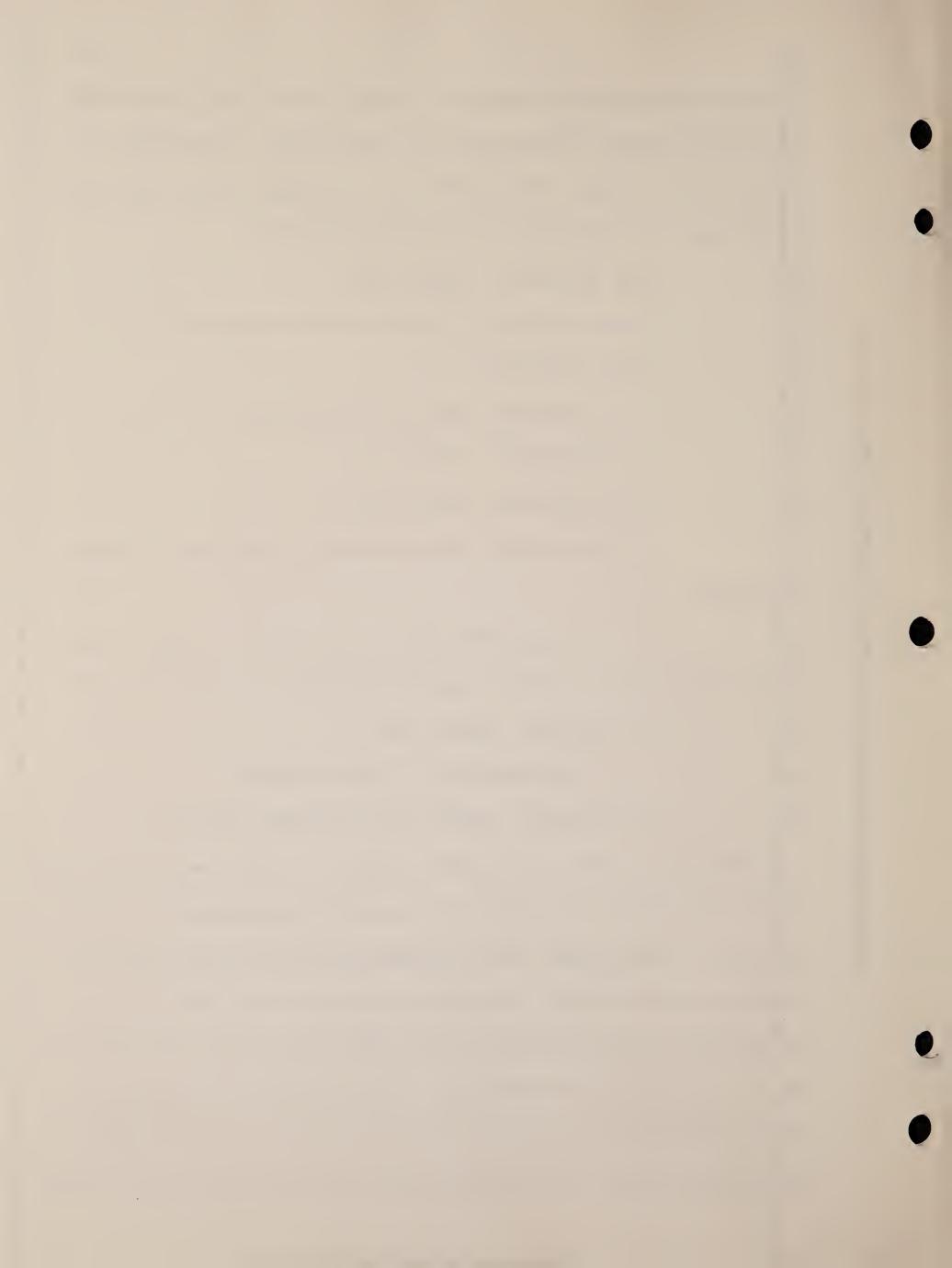
MS. WRIGHT: Thank you.

STATEMENT OF V. CRANE WRIGHT.

MS. WRIGHT: Ladies and gentlemen, Hearing

Officers, my name is V. Crane Wright. I have been affiliated and have served as officer of several environmental organizations. Among them, Denver Audubon Society and the Colorado

Open Space Council. Presently I serve on the board of the National Audubon Society and on the board of the trustees of the Institute of Psychology. I also serve as a member of the Department of the Interior's Oil Shale Environmental Advisory Panel. More specifically to these hearings, I am one



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of the five OSEAP members assigned to the C-a subcommittee of this panel. I would like to speak today about that capacity.

Now, as a brief background, OSEAP has six environmental work groups. We also have three subcommittees which oversee the three leased tracts. These subcommittees and work groups operate as a body at meetings called by the chairman of the particular group. And, in the spirit of the panel as set down by the panel chairman, Mr. William Rogers, Assistant to the Secretary of the Interior, any panel member may join the deliberations of the sub groups. An understanding of our working procedures is imporant to my main point of discussion.

Committee reports, being the product of many people, tend to be viewed with more weight than person remarks. Therefore, I was concerned when Mr. Robert Bolmer, Bureau of Mines and the chairman of the C-a subcommittee, submitted a review memo of the federal lease Tract C-a to Mr. Rogers dated May 19, 1976. It purports to be from the C-a Detailed Development Plan Review Committee.

I would like to open with some generalities on the memo, which I submit for the record. One, the C-a subcommittee has never held a meeting. Two, none of the subcommittee members submitted written comments to the chairman on the DDP. Three, none of the subcommittee members saw or had



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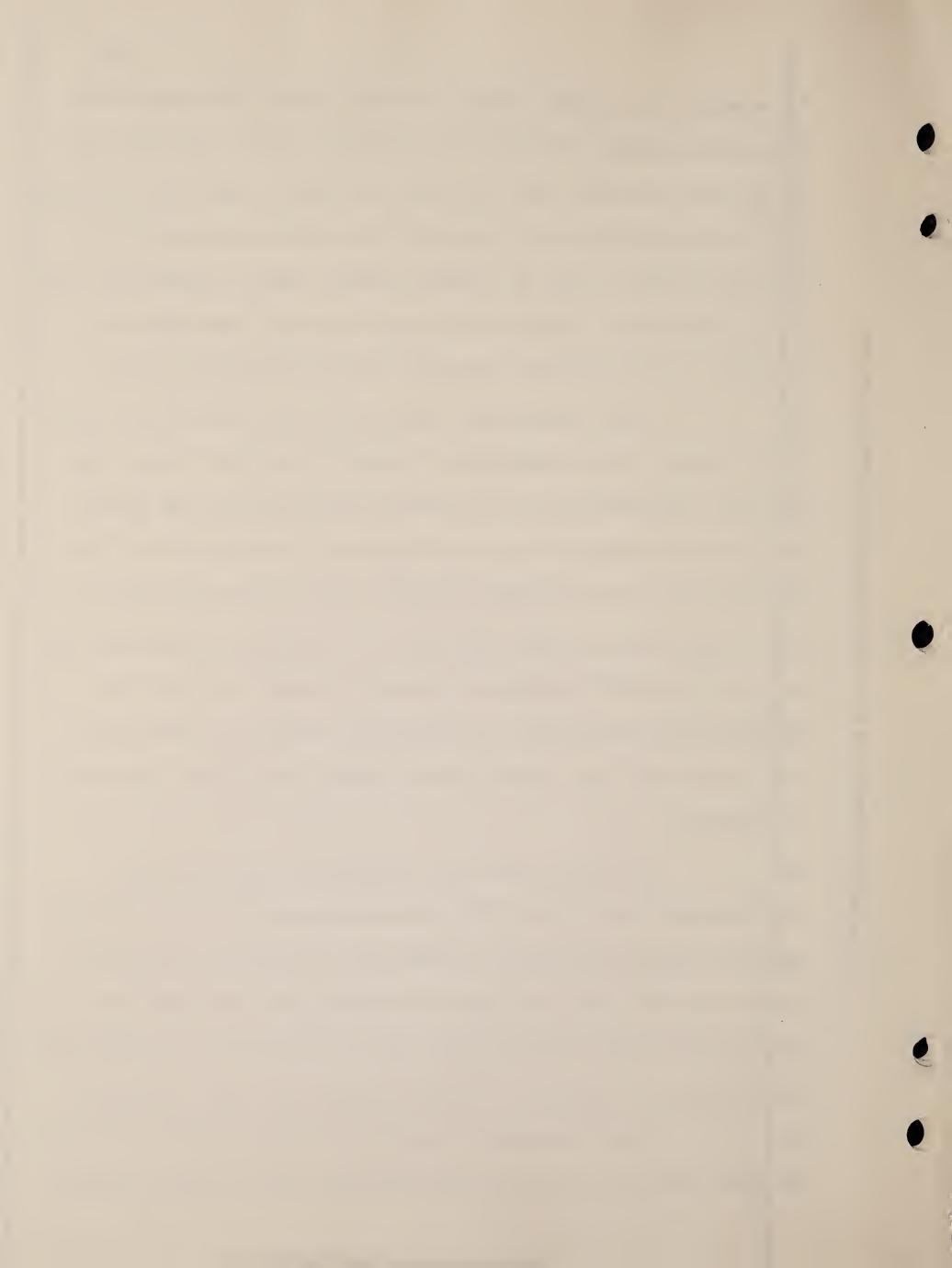
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access to the memo, in draft or final form, for comment or revision before it went to Mr. Rogers. Four, the memo went out the day after our last panel meeting on May 18th and there was no possibility of review of the material presented at that meeting. Yet, Mr. Bolmer asserts that he speaks for the C-a committee. Even if his views were more compatible to mine, I would have to challenge such a unilateral action.

Ascto specifics, contrary to the objectives of the oil shale leasing program as stated by President Nixon who said, "provided that environmental questions can be satisfactorily resolved", and the Department of Interior's, "To assure the environmental integrity of the affected area ... ", the memo says of this DDP that it "...probably represents the most reasonable compromise between economic resource recovery and unavoidable environmental affects." The lease, I might add, says nothing about brownie points for trying or failing.

The memo goes into sub-headings starting with 19 Mining and opens with, "The committee agrees with the lessee 20 that open-pit mining is the only way to develop the tract." The committee did not agree to anything but the panel may have defaulted a choice since we were not given any other alternative to consider. I would hardly call that agreement.

Waste disposal. Contrary to the conclusion in this 25 memo that the requested waste disposal area, 84 Mesa, cannot



be surface mined, I submit internal USGS communications, which question this assumption and address the potential resource loss if 84-Mesa is used as a dumping site. The memo goes on to say that, "84-Mesa has been judged more environmentally acceptable" but fails to say that this judgment was rendered by an internal C-a analysis not by the OSEAP. As every panel member well knows, we have been singularly unsuccessful and frustrated in our efforts to get the lessees to submit any alternatives to the 84-Mesa dumping plans.

The next three headings I would generally agree with but this does not negate the fact that the conclusions were not arrived at by committee action.

Comments by others. Contrary to the memo's assertion, additional comments were not reviewed by the committee. Also contrary to the memo, some of the concerns raised by the work group members were substantitive and serious. I will submit some comments which need concerned attention and request that the full text be part of the record.

Taking the lead as a committee member whose onefifth committee due was not even acknowledged, I would like
to repeat my statement during panel discussion. It is very
short. "This plan, were it not for the constraints that exist and that the C-a lessees describe so clearly, could conceivably be a working plan. However, because of the con-



straints, both legal and set by regulation, this DDP does not meet the criteria of the Prototype Program."

The various work groups also submitted statements.

Rehabilitation. "...objectives should be expanded to include...

'the effects of supplemental irrigation'", also "...fencing is necessary for successful reestablishment..."

Wildlife work group. "Before the OSEAP takes any action on this issue, the wildlife subcommittee recommends that the legislative process be allowed to complete its course and secondly we recommend that if Congressional action on this legislation, Mesa 84 withdrawal, allows use of offsite lands, a totally independent analysis of alternative sites be undertaken." "...long term commercial development of the shale rescurce deserves detailed analysis by the OSEAP and the legal and policy staffs of the Department of the Interior." The same sub group concludes with, "Until these issues are resolved, we recommend that no final OSEAP advice be transmitted to the Area Oil Shale Supervisor."

Air quality. "...it must be recognized that the plan for development as described in the DDP is not legal under the present lease conditions."

Archeology. "Included should be an assessment on impacts on archeological, paleontological and cultural aspects."

Socioeconomic. "Considerable further overall de-



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velopment of the statement is requred if it is to be of real use in mitigating socio-economic impact from the C-a project.

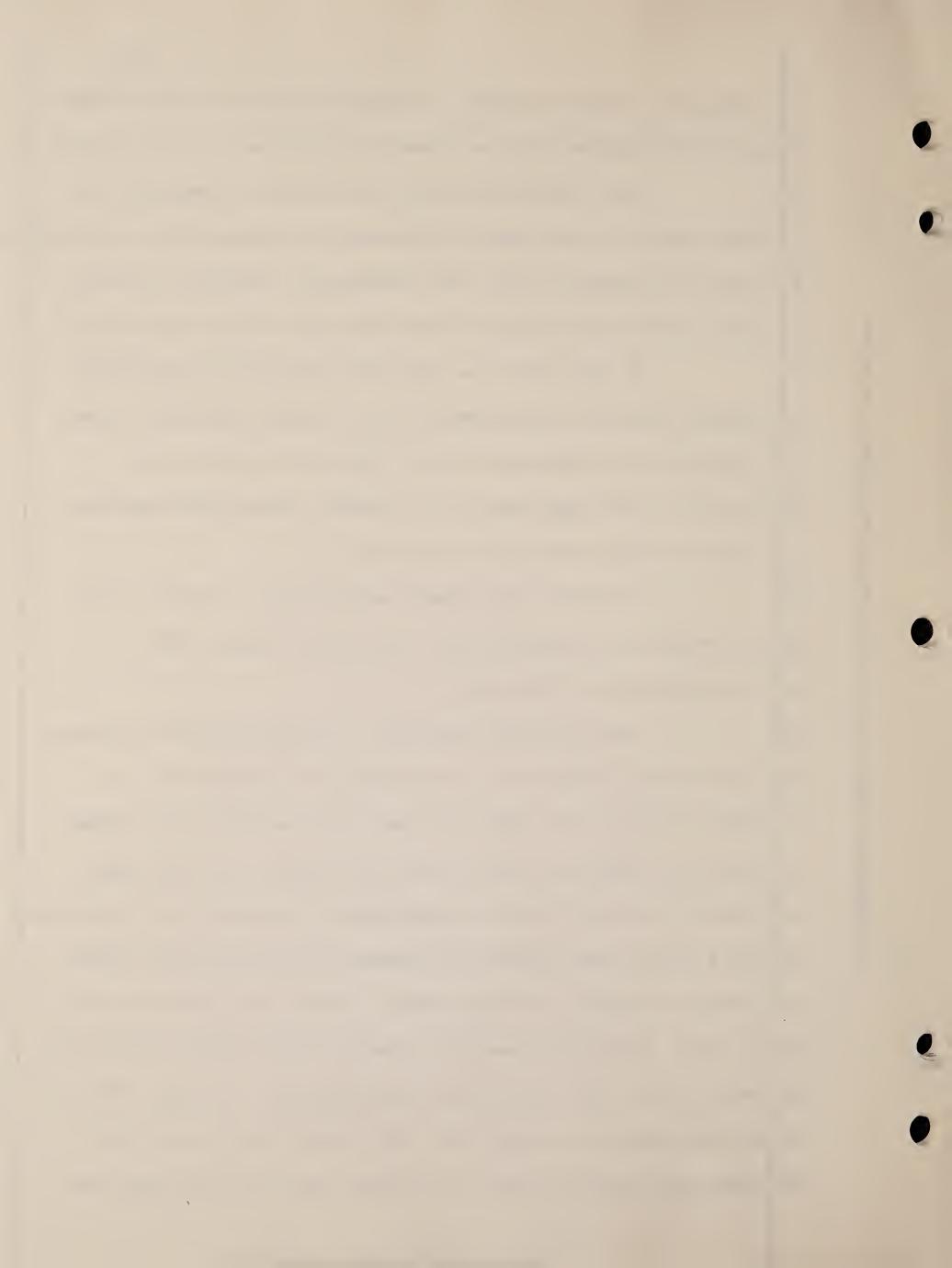
USGS representative, Harold Malde, comments with what appears to me great seriousness on geochemistry, seismicity, flora and ecology, soils and overburden, resource recovery, water resources and options for disposal of processed shale.

We also have the Colorado Division of Wildlife's concern about the occurrence of the Greater Sandhill Cranes, classified as endangered in our state on 84 Mesa last spring and the appearance of a federal endangered Whooping Crane in that vicinity this spring.

And these are termed not serious concerns? And not wrothy of consideration? And do not affect the acceptability of the plan?

At a previous meeting, I had expressed my concern that we were being put in a position of recommending an action that is not legal and that we, the panel, were being used as a lobbying tool by the C-a lessees, that the only course I saw was for the suspension of all plans on the project until Gulf's and Standard's proposed legislation has either passed or failed. On this point, serious consideration must be given to the testimony of Senator Floyd Haskell regarding Senate Bill 2413, the 84 Mesa legislation. He says, "It is my position that Senate Bill 2413 should not become law."

Especially must we need the Senator when we find that the



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C-a DDP is predicated on the assumption that Senate Bill 2413 will become law.

In closing, I would challenge Mr. Bolmer to support his memo and his conclusion that, "All such features are considered technically acceptable and should result in the timely commercial development of the tract with the least possible environmental effect", as having been arrived at through C-a committee action. Failing that, I would expect the memo to be recalled or "personal opinion" put where committee is now featured. Perhaps this will be done at our first committee meeting.

Thank you.

MR. RICHARDS: Thank you, Ms. Wright.

Any comments or questions?

(No response.)

MR. RICHARDS: Thank you very much.

That concludes the list of scheduled witnesses. Are there any other people in the audience who wish to give a statement or to give evidence?

All right, I see one back here, this gentleman.

STATEMENT OF ROBERT M. WEAVER

MR. WEAVER: My name is Robert Weaver. I represent the Colorado Council of Trout Unlimited.

Trout Unlimited is primarily concerned with the water supply and water distribution aspects of the Rio Blanco

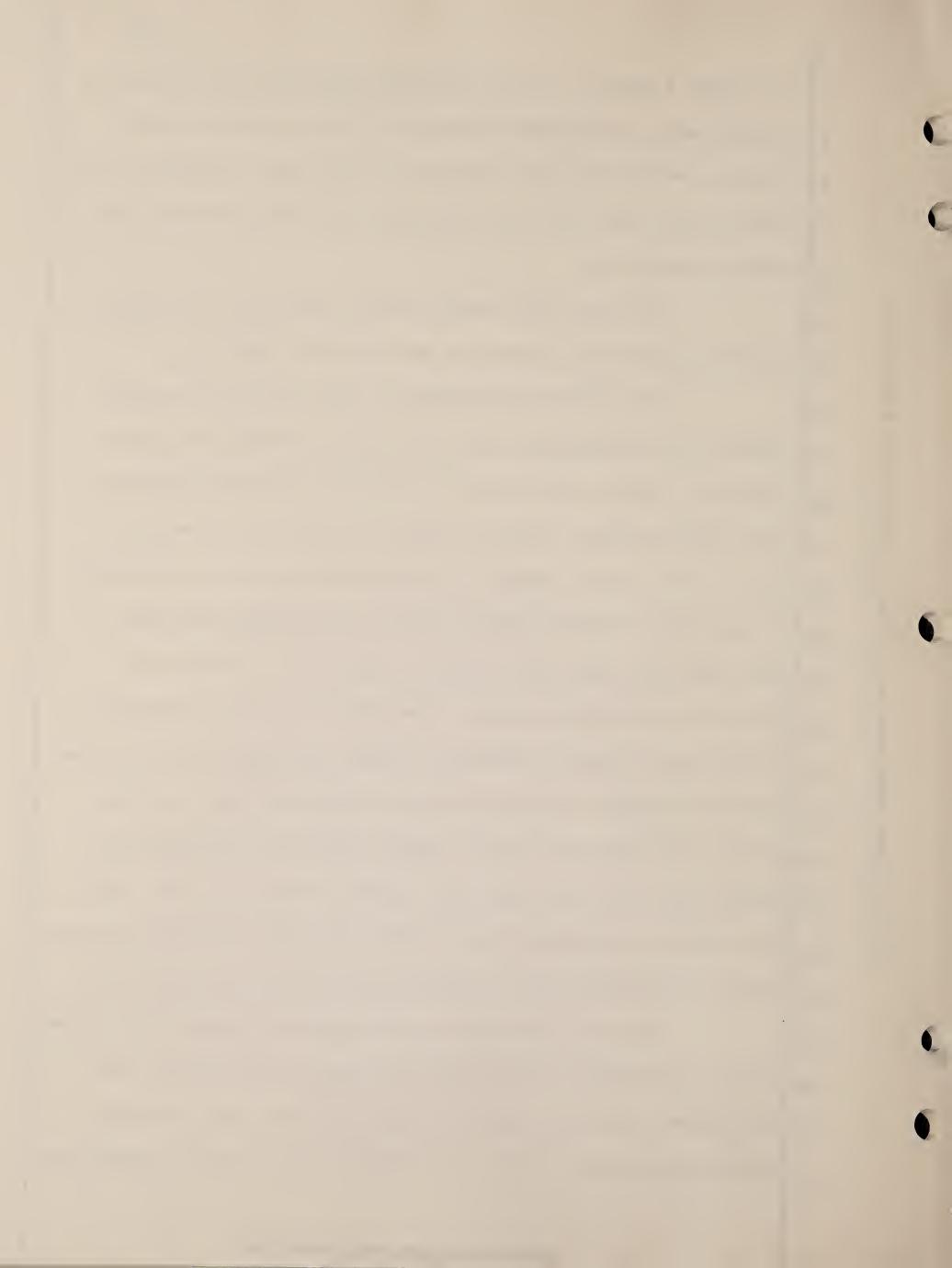


Oil Shale Project. We are strongly opposed to oil shale related water development projects like the Yellow Jacket Project, which has been proposed for the upper regions of the White River and which the Rio Blanco Oil Shale Project has shown interest in.

Projects like Yellow Jacket would severely damage wuality watersheds, fisheries and wildlife habitat.

The Detailed Development Plan outlines the water supply and distribution plans of the Rio Blanco Oil Shale Project. First, the DDF states that the maximum estimated water demand under Phase II would be 10,000 acre feet per year. Then, under supply it is stated that mine dewatering is expected to yield between eleven to fourteen thousand acre feet per year, more than is required to fulfill the Phase II anticipated needs. The DDF also rather hypothetically states that if expansion beyond the Phase II production level of 55,800 barrels per day of shale oil were to take place, the additional water demand would be approximately 10,000 acre feet per year per 50,000 barrels per day. The DDF states the example that 60,000 acre feet of water per year would be required for a 300,000 barrel per day production.

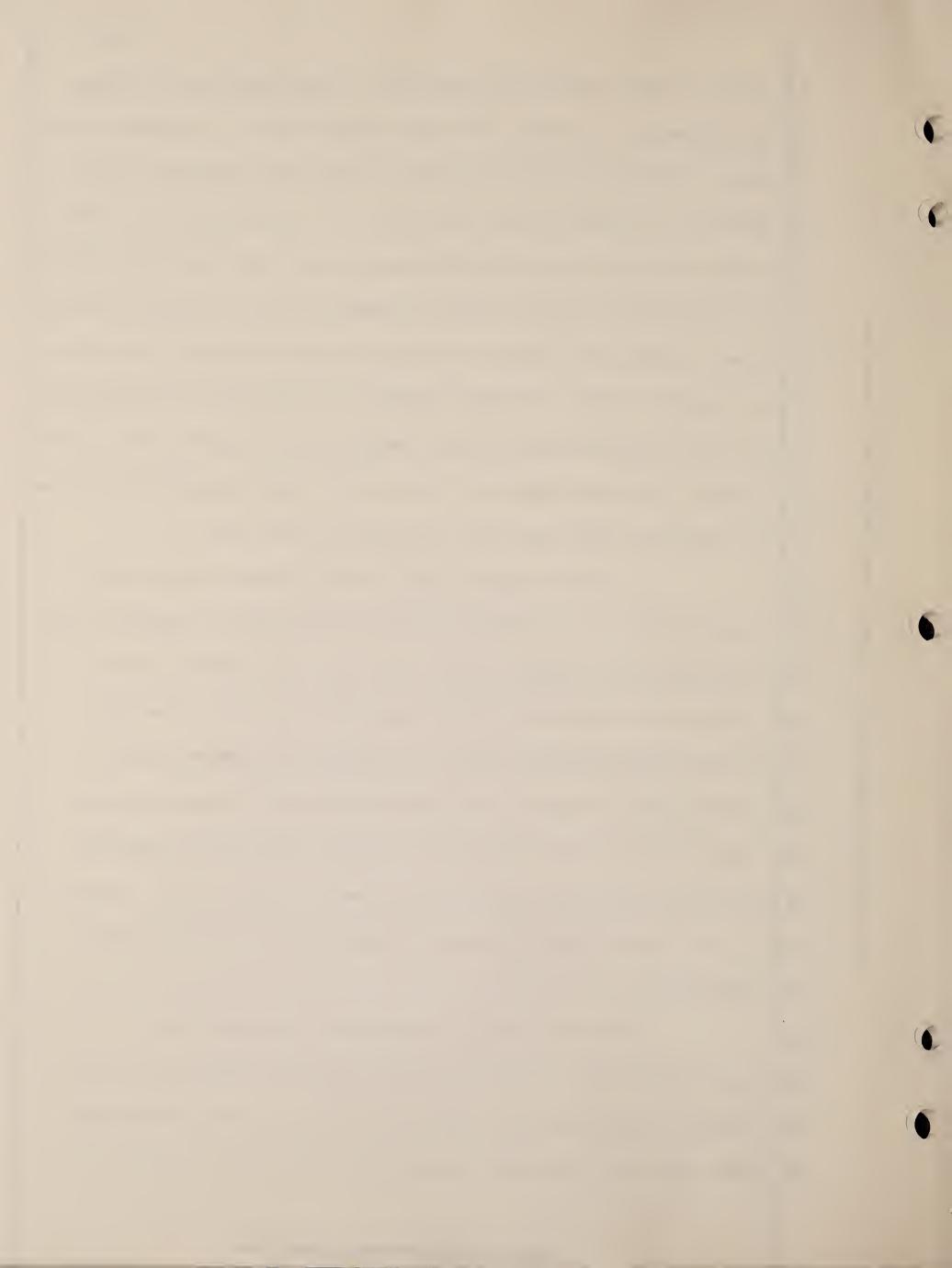
Then the DDP goes on to describe an aggressive water right acquisition program which has been conducted by the Rio Blanco Oil Shale Project to secure water for the hypothetical expansion beyond the 55,800 barrel per day production.



These water acquisitions include: 1) Applications claiming 96 wells for 1.5 cubic feet per second each. 2) Application for a 428,000 acre foot storage decree and reservoir right-of-way for Yellow Creek reservoir. 3) Acquisition of a 300 cubic feet per second conditional decree from the White River. 4) Acquisition of an option agreement with the Rocky Mountain Power Company to obtain a minimum of 45,000 annual acre feet per year of water through a change in the points of division for the Rocky Mountain Power Company water rights and I have listed in my testimony the details of those changes of points of division which were not included in the DDP.

acquisitions, it is interesting to note that in addition the Rio Blanco Oil Shale Project has also expressed a strong interest in receiving 70,000 acre feet of water from the Yellow Jacket Project which is proposed by the Eureau of Reclamation. However, no mention of this interest in and support for the Yellow Jacket Project was made in the DDP. The Rio Blanco Oil Shale Project water acquisitions clearly go far beyond the anticipated needs for the prototype development.

It seems guite inappropriate that such an aggressive water right acquisition program should be undertaken for hypothetical expansion of the prototype development when the following factors are considered: First, a



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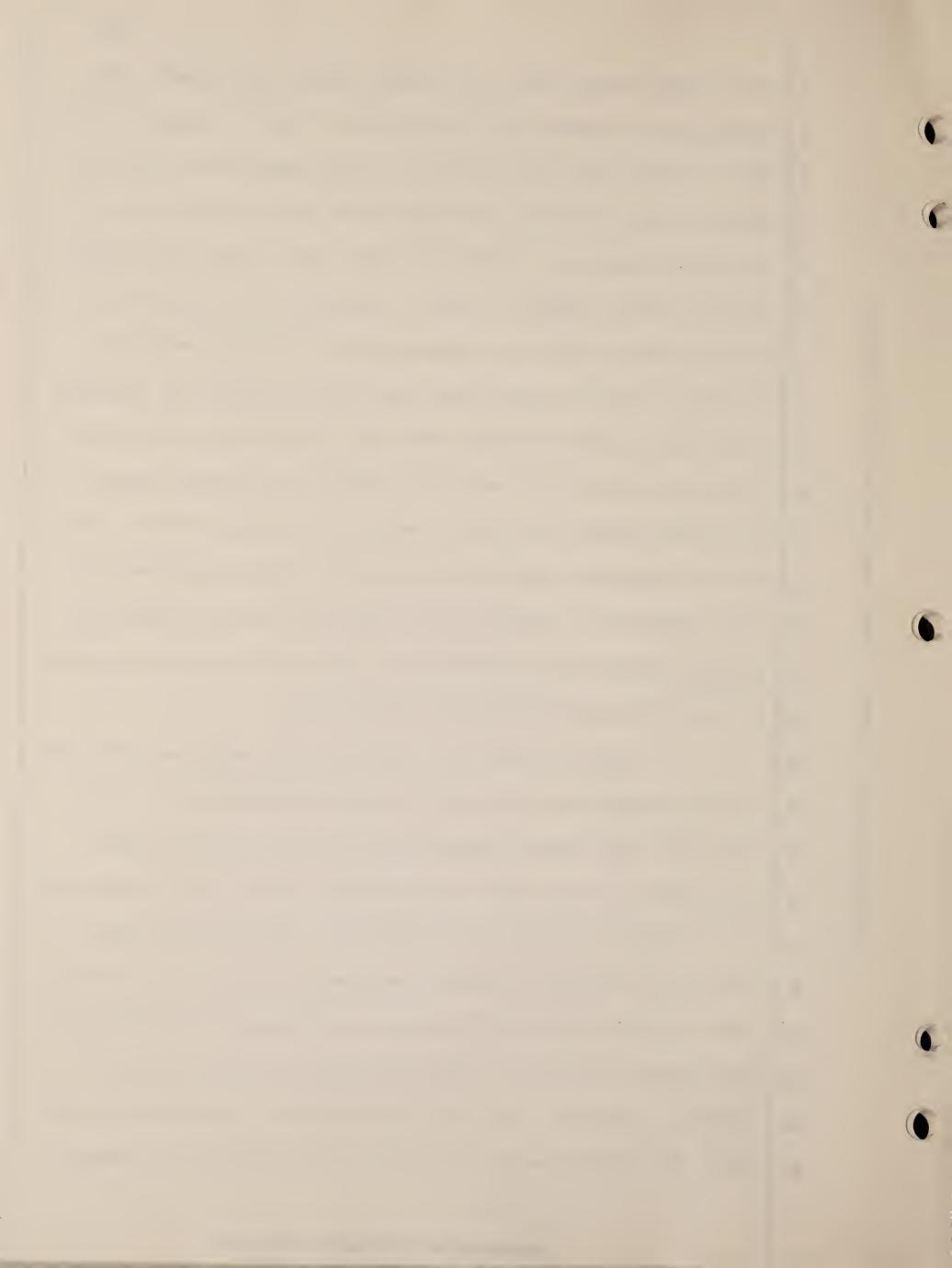
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major requirement that must be met before development can take place is commercial feasibility. This is stated in the DDP. At this time the project is not commercially feasible without major federal subsidies which have so far been rejected by Congress. Second, the DDP shows plans for major off-site water supply and waste disposal, including the 84-Mesa area which, as acknowledged in the DDP, would be Third, the service area for the Bureau of Reclamation Yellow Jacket Project does not include oil shale least Tract C-a and thus it would be illegal for the Rio Blanco Oil Shale Project to receive water from Yellow Jacket. Four, even if Congress approved legislation authorizing the offsite facilities included in the DDP, the project could not proceed without an environmental impact statement as required by the National Environmental Policy Act.

The Rio Blanco Oil Shale Project water acquisition further emphasizes the need for coordinated planning, not only with the federal government but also with the state government as the state has protested some of the claims that the Rio Blanco Project has filed for. Also we know that there are at least 28 water development projects for energy under consideration by the federal government in addition to many private projects. The end result is that a larger number of entities like the Rio Blanco Oil Shale Project are vying for limited water resources with little or no compre-



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hensive planning or regard for the comprehensive end results in terms of environmental, social and economic effects.

To conclude, we believe that the Detailed Development Plan should not be approved without full compliance with state and federal laws. We also recommend that it be required that the DDP precisely define water requirements and water sources rather than hypothetical needs and sources.

Thank you.

MR. RICHARDS: Thank you, Mr. Weaver.

Any questions or comments?

(No response.)

MR. RICHARDS: Thank you very much.

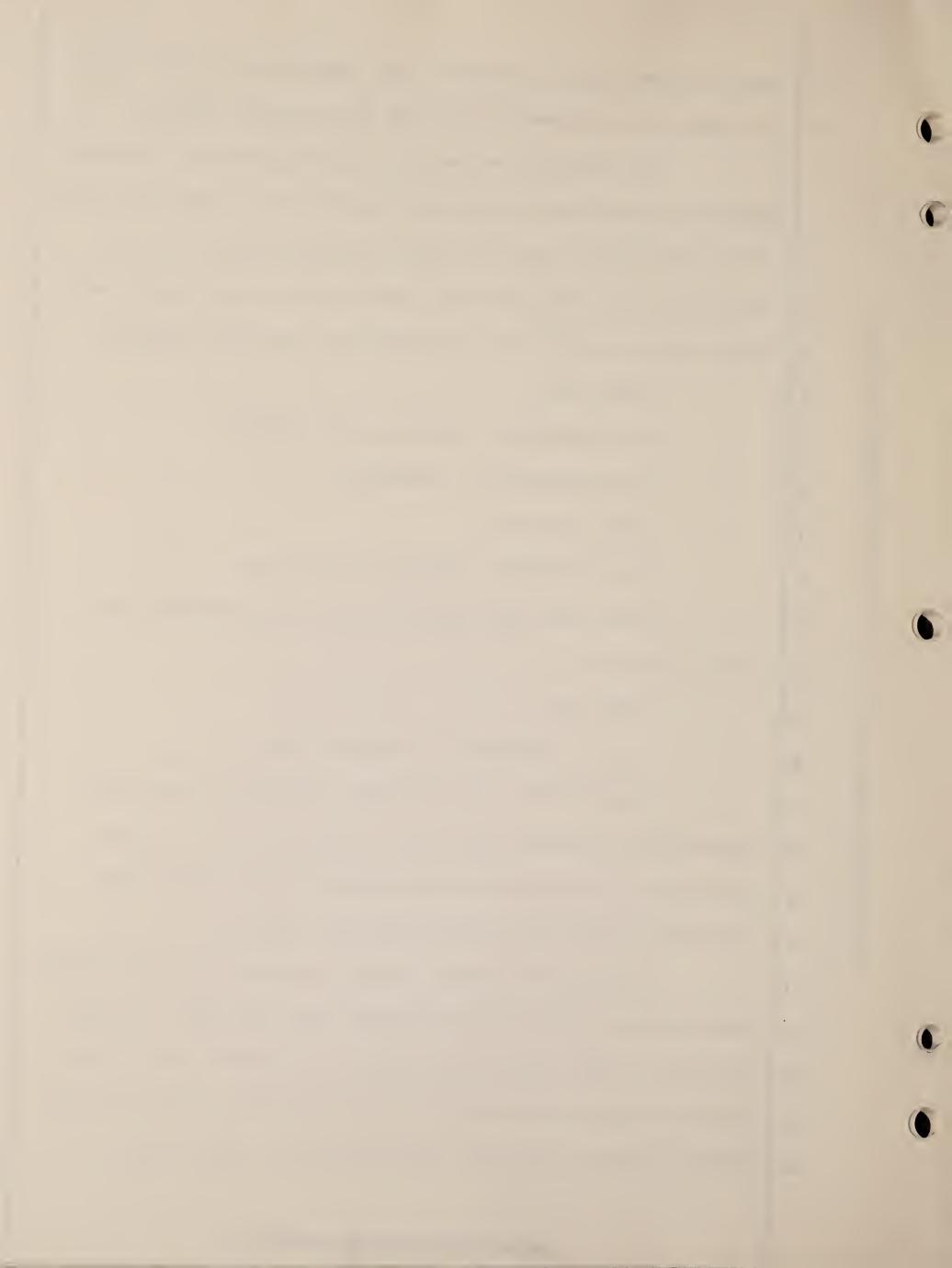
Are there any others who are not scheduled who wish to testify?

Yes, sir.

STATEMENT OF BLAINE MILLER

MR. MILLER: Mr. Chairman, members of the panel, ladies and gentlemen, my name is Blaine Miller. I'm an employee of the Gulf Oil Corporation and executive vice-president of the Rio Blanco Oil Shale Project.

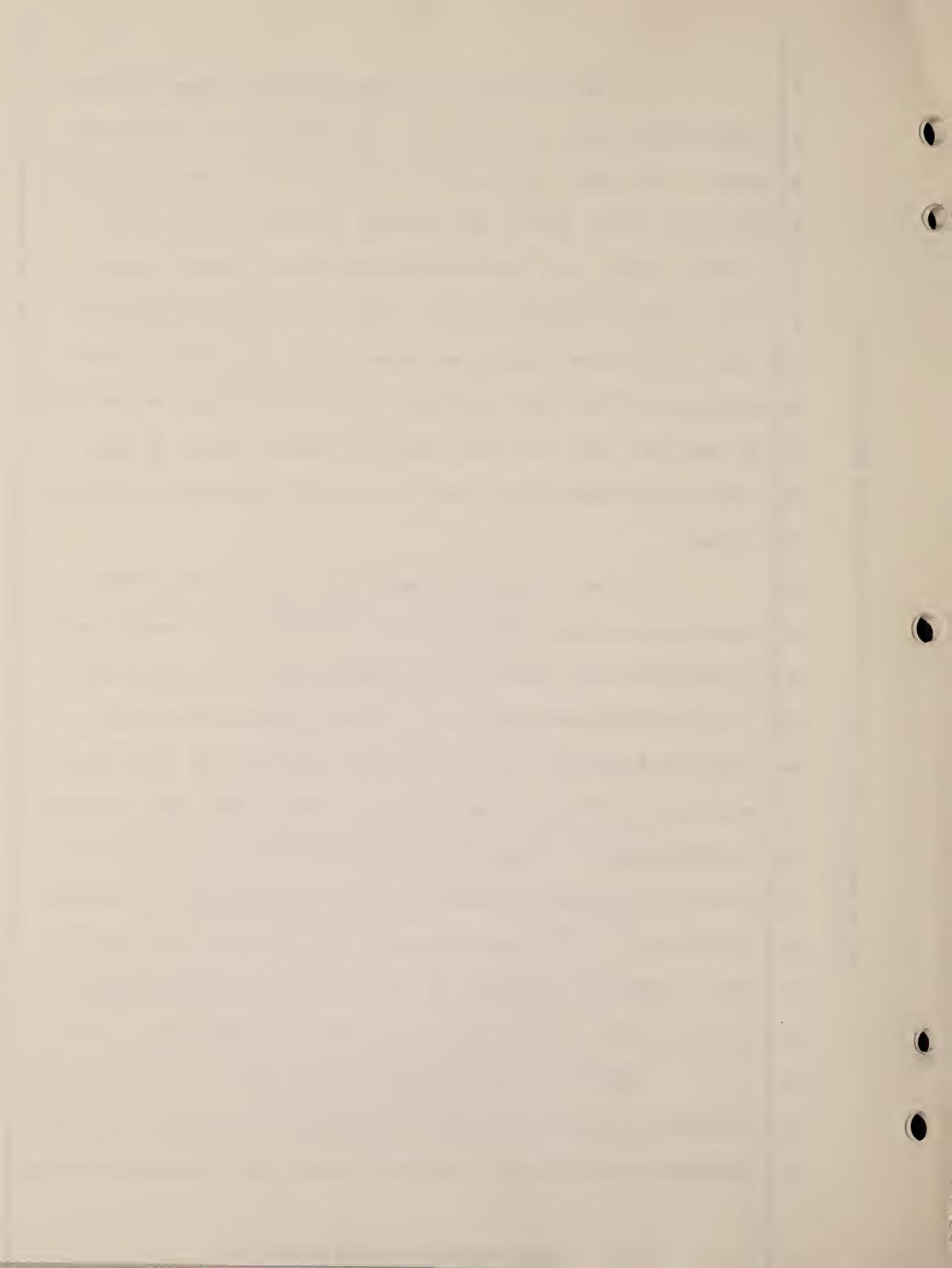
Earlier Mr. Walter Herget, president of the project summarized our Detailed Development Plan for you. I would now like to take just a few minutes to address some of the more important issues that have been raised in the past and, indeed, some of them have been brought up again today.



Concern has been expressed that our plan calls for some actions that are illegal. Specific reference has been made to off-tract plantsiting and off-tract disposal. Off-tract plant siting and process disposal are no more illegal action than are the construction of roads, pipe lines, power and communication lines, the construction of homes on BLM land adjoining Rangely, the construction and operation of our plant and numerous other actions called for in the DDP. Some of these actions require rights of way. Some require approvals, some permits and some require legislation.

We are currently compiling a list of the various permits, et cetera, that will be required, but I would hazard a guess that the number would approach 100. If we were to attempt to proceed with any of these actions without the required approvals, permits or what have you, we would most certainly be taking illegal action. We do feel that it would be unreasonable to expect us to have all of these approvals, permits, et cetera, in hand before our program is considered for approval. In point of fact, it is likely that many of these approvals, permits, et cetera, will be unobtainable until our plan is approved by the Area Oil Shale Supervisor.

The DDP being considered here today is a product of two years of intensive engineering and environmental work and represents expenditures of some \$18,000,000. Numerous alterna-



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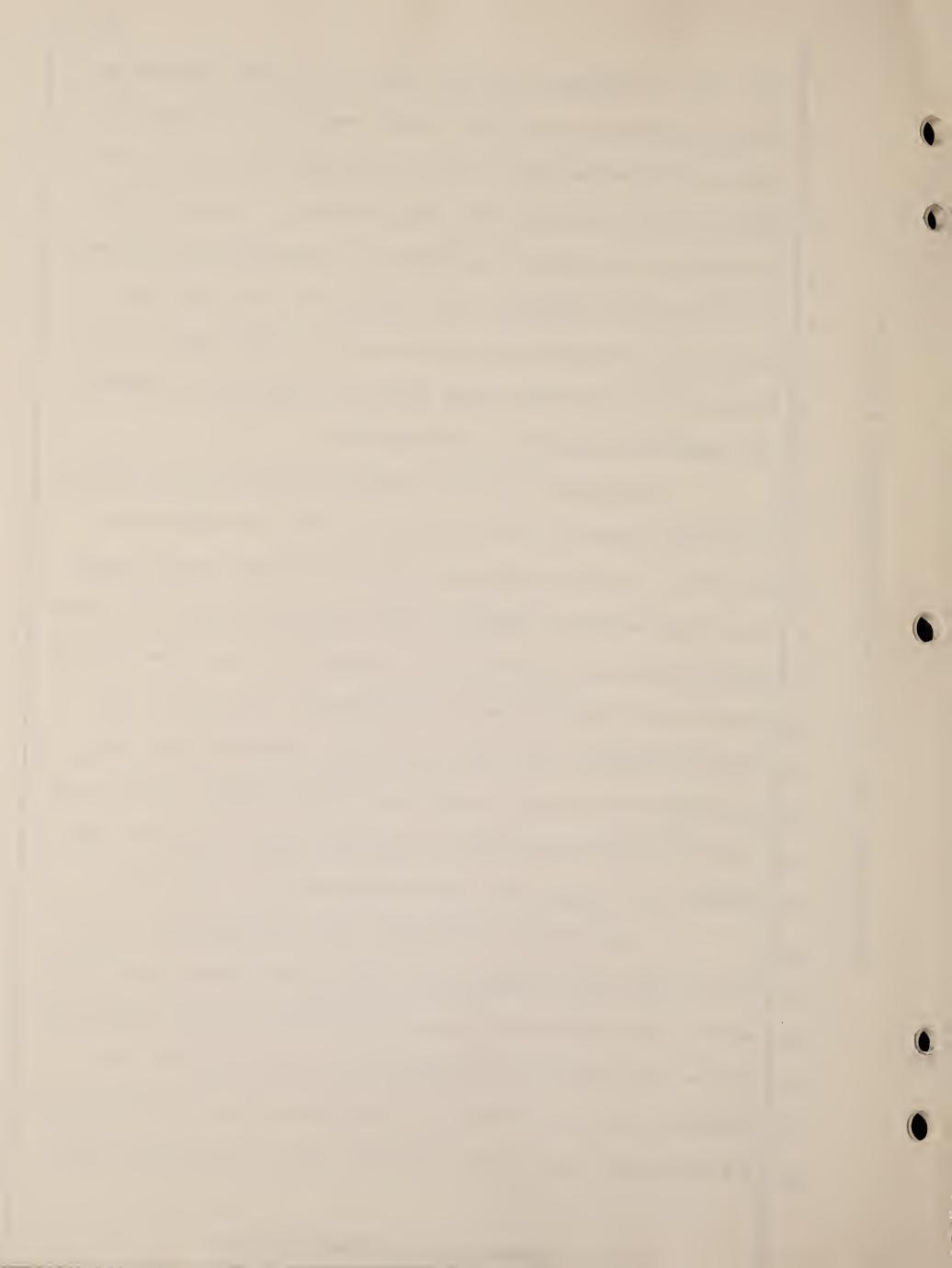
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tives were considered in every area of planned activity and later discarded for good and valid reasons. The resulting plan is what we believe to be the optimum development plan for Tract C-a, optimum from the viewpoint of resource conservation, environmental protection, technology and economics. 5 We cannot ignore what we have learned over the past two 6 years and rationalize the submission of a plan that is inferior in any of these areas simply to avoid the necessary 8 for approvals, permits or legislations. 9 10

Criticism has been leveled at others to the effect that their plans are too generalized and not sufficiently specific. We do not feel that this criticism can be justified with regard to Tract C-a DDP and we now find that these same critics are accusing us of producing a plan that is too Just as we are specific and insufficiently generalized. firmly convinced that this is the best possible plan for development of Tract C-a, we are equally certain that we can convince the various local, state and federal agencies and, indeed, the Congress of the United States of this fact.

Under these conditions, it is unreasonable to believe that required approvals, permits and legislation will not be made available. Bills are currently being considered before both Houses of Congress that will authorize the Secretary of the Interior to issue leases for off-tract plant siting and plant shale disposal and far from being dead,



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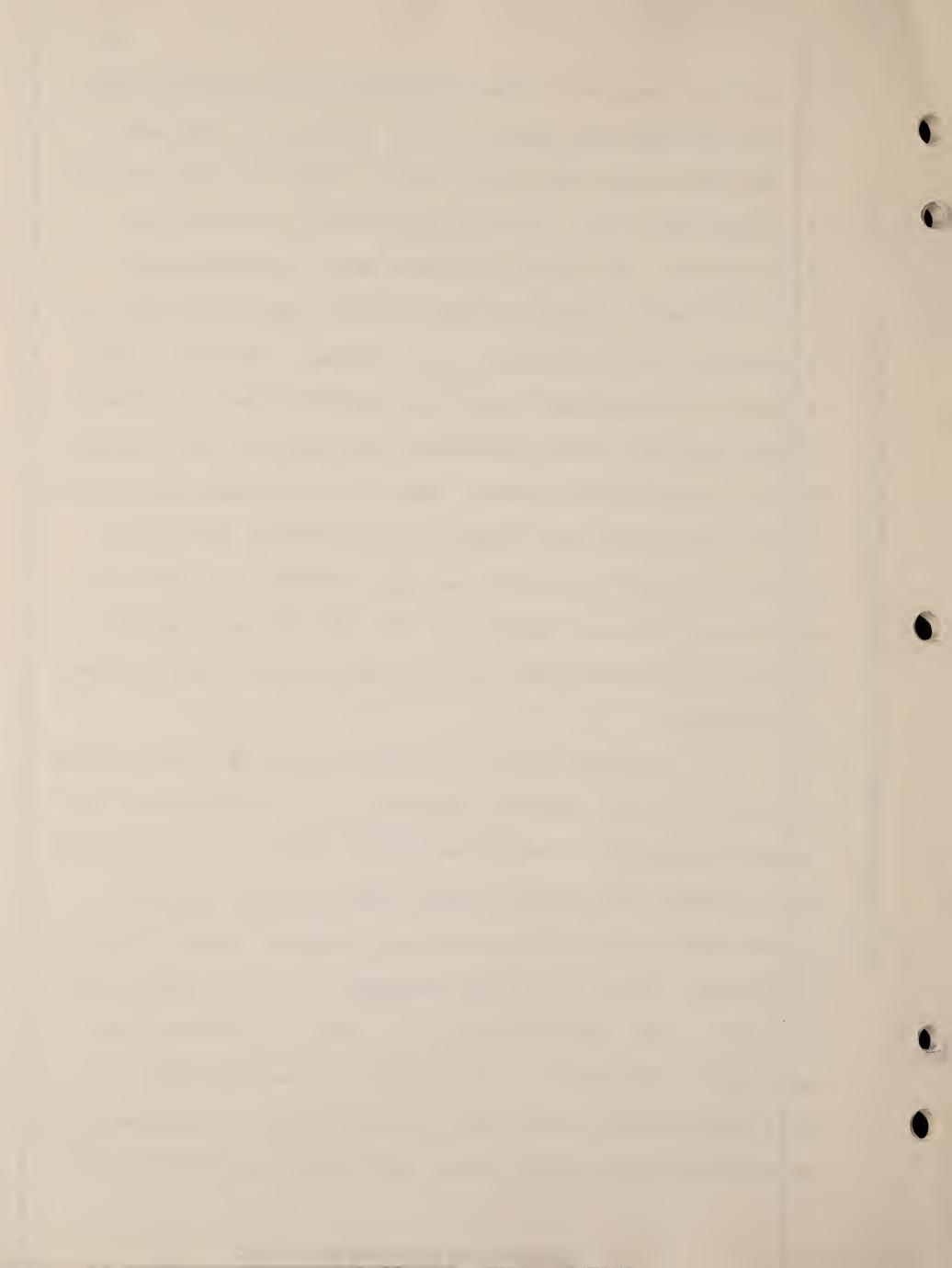
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the House version of this authorization bill is being considered before the House Interior committee in hearings on the 21st to the 29th of this month. There are those who believe that s i t e specific EIS should be required for The federal prototype shale leasing program environmental impact statement requires some three years to generate and was produced in six volumes. Although a great deal of information has been accumulated since this document was produced, we are continually impressed with the accuracy and insight of the drafts. Each of the prototype lease tracts was considered, was treated with considerable detail and with respect to Tract C-a, we can truthfully say there are far more detailed studies and they have not revealed any major departures from conditions envisioned by that original document.

of two years of intensive engineering and environmental impact assessment. The document deals with each and every area of concern that would be appropriate to a site specific EIS and in considerably more detail than we believe would be possible in the normal EIS procedure. We would like to emphasize that this document is not simply a product of Rio Blanco's efforts but is the product of the continuous refining process wherein the comments, advice and recommendations of the various aspects of the OSEAP panel, the AOSS, the BLM



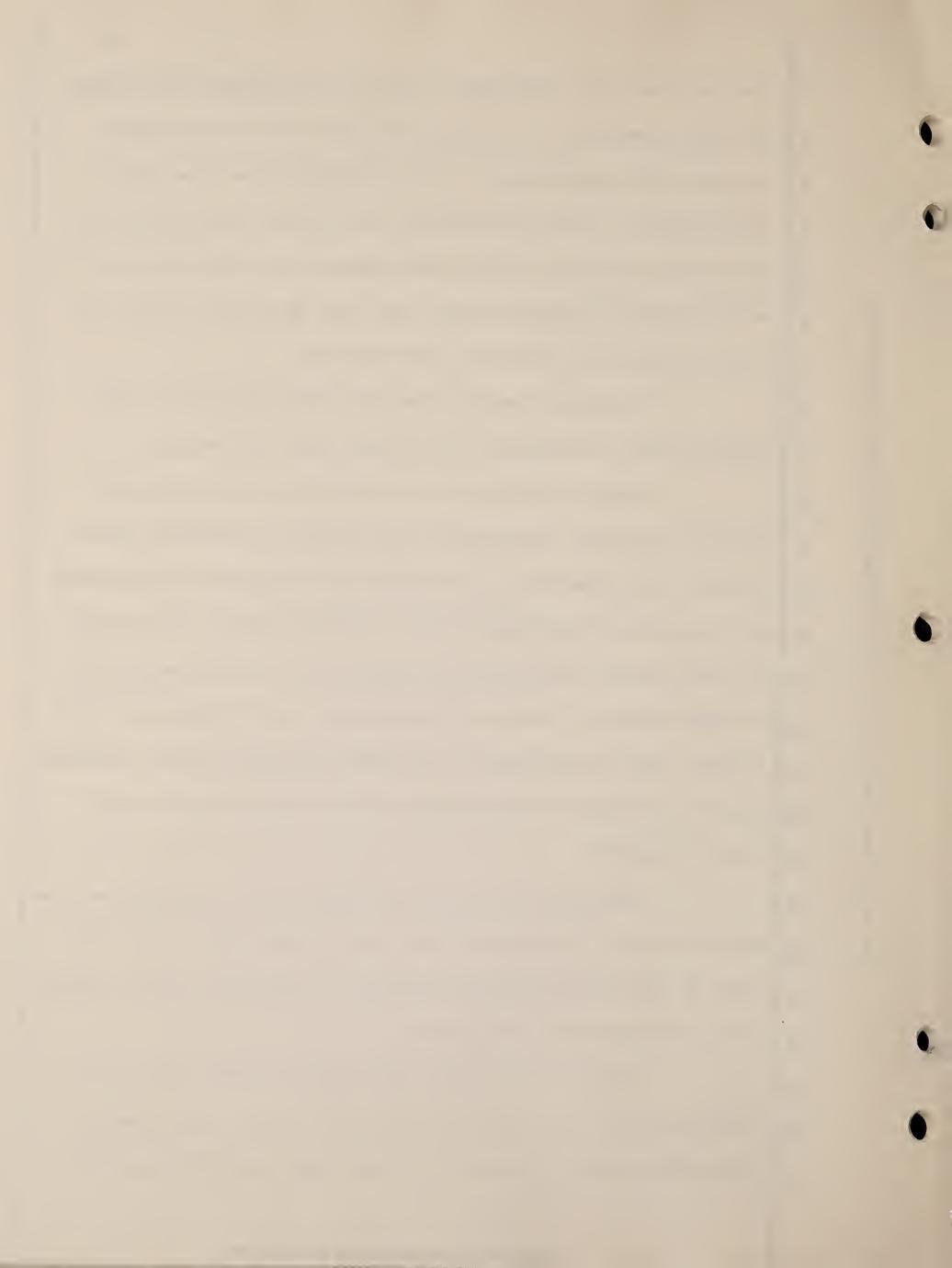
and various other government agencies was appropriated into the final product. We firmly believe that the prototype program EIS supplemented by the detailed base line data, environmental impact assessment, mitigating procedures and monitoring programs of our DDP represent as comprehensive an environmental program as has ever been produced, which has ever preceded an industrial development.

We firmly believe that the duplication of this effort would be wasteful of valuable time and money.

Next, I would like to address briefly the DARE report which was represented our efforts to make as comprehensive and objective an environmental assessment as possible of 16 potential processed shale disposal sites. As stated in this report, the process requires the subjective opinion of individuals. However, the opinions of 19 different individuals were independently recorded and their system included several mathematical manipulations to remove bias to the extent possible.

Opponents of off-tract disposal have questioned the objectivity of this report but, to my knowledge, no one has come up with an alternative study or conclusion which refutes the finding of our evaluation.

Next, I would like to address briefly the SO₂ requirements for the state of Colorado. These requirements were promulgated in January of this year whereby standards



were set for three categories. At that time there were designated areas within the state that were designated as Category 3 and the remainder of the state was designated as Category 1 with the expectation that applications for change of category would be made as needed and that they would be granted or refused on the merits of the case.

One other subject I would like to address is backfilling and that was mentioned earlier in the proceedings here, concern that our DDP called for backfilling into the open pit to take place in about 30 years whereas the Environmental Impact Statement mentioned at a period of about 15 years. This came up on the OSEAP panel. It was discussed in detail and we pointed up the thrust would always be towards starting backfilling as early as possible, both economically and environmentally. The 30-year period was felt to be a reasonable time. We could do it much earlier if we possibly could consistent with safety and the workings of the pit.

Ms. Wendt, I think, mentioned wild horses, the protection of wild horses. We feel that our revegetation and wildlife management schemes do an adequate job of this, but I could assure her and others that we are going to do everything we possibly can to protect these animals because I, for one, am convinced that if we don't find some way to cut some of the red tape and the internal delays in the installation that has slowed and resulted in cancellation of some major



interim projects in this country, that we are going to need those horses to ride, and I was going to say to ride to work but I feel also that if something doesn't happen pretty soon there are going to be large segments of our society that aren't going to have any jobs to ride to.

Finally, Mr. Chairman, I would like to express our appreciation to you and to the other members of this hearing panel to the opportunity to make these comments.

particularly, we would like to express our most sincere appreciation to the Area Oil Shale Supervisor and his staff, the members of the Oil Shale Environmental Advisory Panel and the various state and federal regulatory agency personnel who spent many, many hours reviewing the several drafts that preceded our final DDP document. Without the fine spirit of cooperation that existed throughout this procedure and without the constructive comments and advice of all these individuals, we simply could not have produced this Detailed Development Plan which we now feel is fully acceptable.

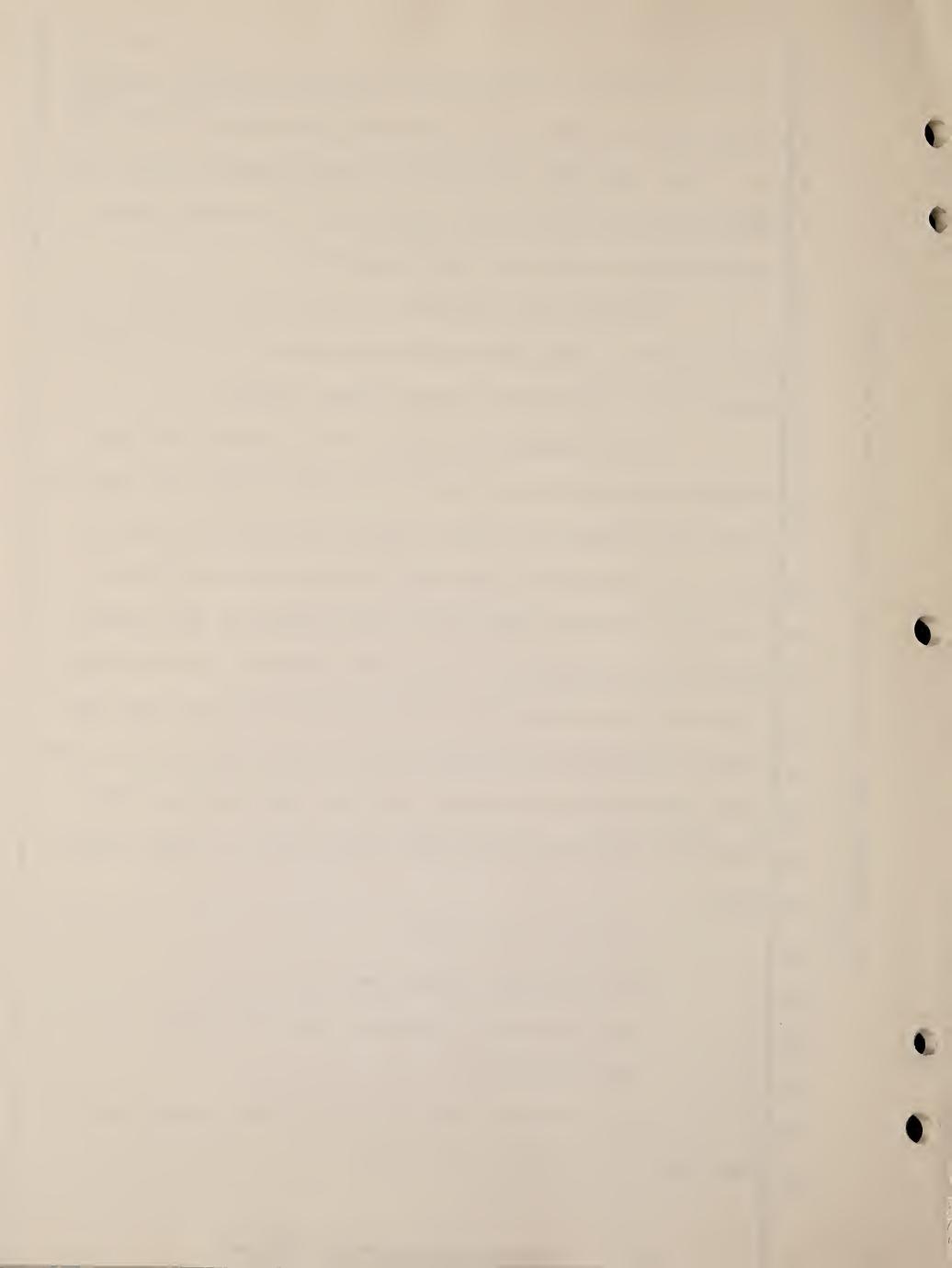
Thank you very much.

MR. RICHARDS: Thank you, Mr. Miller.

Any questions or comments from the panel?

(No response.)

MR. RICHARDS: Are there any other persons here that wish to testify at this time?



(No response.)

MR. RICHARDS: Seeing none, we will adjourn until 7 p.m. this evening here in this room. We don't have any other witnesses scheduled but pursuant to our advertisement in the Federal Register, we will convene at 7 p.m. to take any further witnesses who may wish to testify.

Thank you.

(A short recess was taken.)

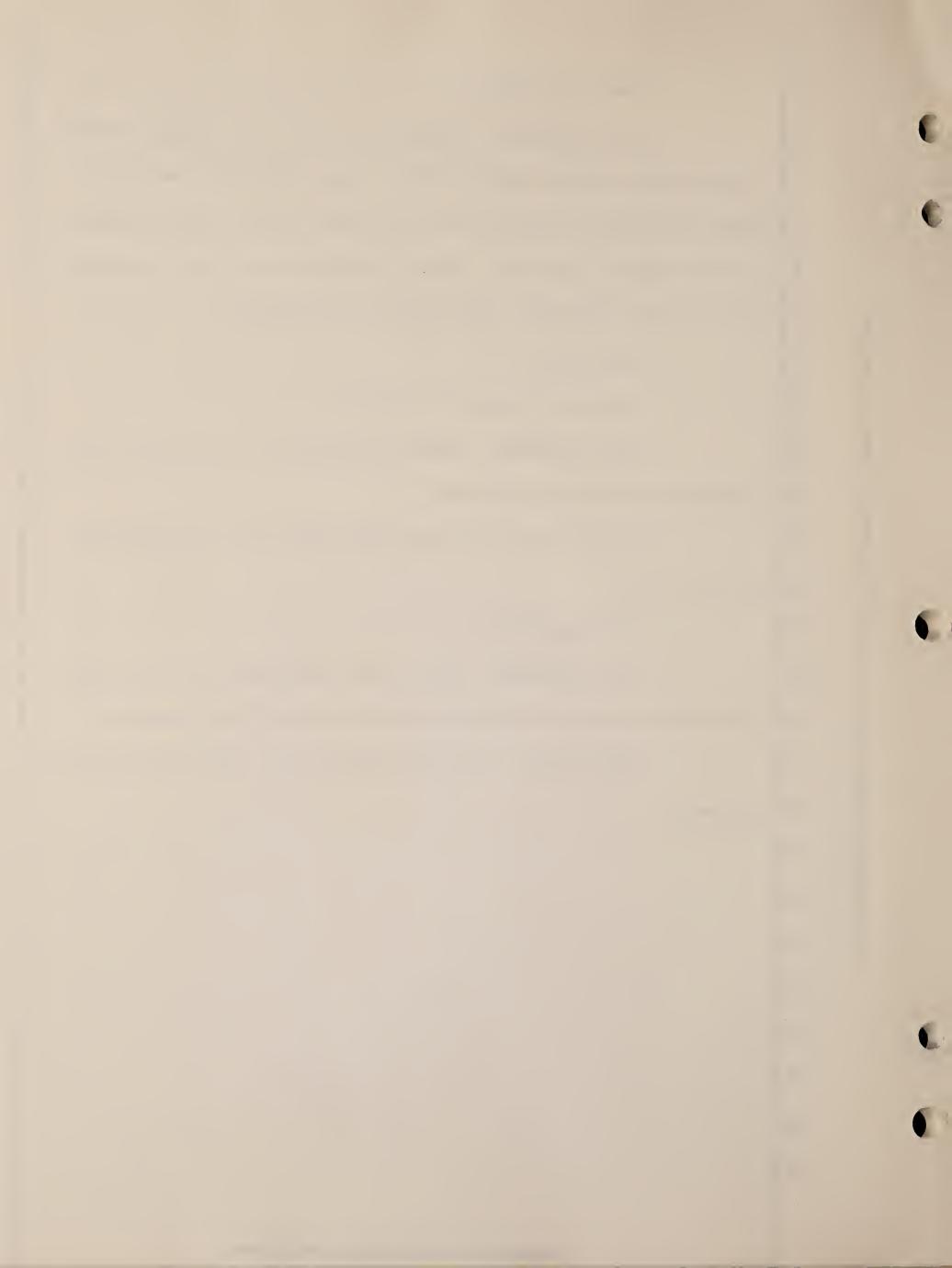
MR. RICHARDS: Being the hour of 7 o'clock, these hearings are hereby resumed.

Do we have any people who wish to give testimony on Tract C-a?

(No response.)

MR. RICHARDS: Then these hearings are adjourned. The record is open until June 25th for written comments.

(Whereupon, at 7:01 o'clock p.m., the hearing was closed.)



CERTIFICATE OF REPORTER

UNITED STATES DEPARTMENT OF INTERIOR

This is to certify that the attached proceedings before the Geological Survey, Conservation Division In the Matter of:

Office of the Area Oil Shale Hearings on the Detailed Development Plan for Tract C-a

Denver, Colorado

June 10, 1976

were held as therein appears, and that this is the Original Transcript thereof for the files of the Department of Interior.

Harl Deselver

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